

















## U.S. in Dilemma on Costa Rican Bananas

By Jeanne Omang  
Washington Post Service

WASHINGTON — The Reagan administration is torn between its support for free enterprise and its support for Costa Rica, where the United Brands Co., a major fruit conglomerate, is shutting down half of its huge banana operation.

United Brands has grown and harvested bananas in four large plantations on Costa Rica's west coast since 1938, when the company was known as United Fruit and well-known for its involvement in Central American politics.

Latin Americans have long called the company "the octopus" and accused it of buying and selling politicians as easily as it did bananas.

The government of Costa Rica, a country long held up as a showcase for democracy in Central America, fears that the company's reduction in operations could lead to leftist-inspired riots and economic disintegration.

An estimated 50,000 Costa Ricans still depend directly or indirectly for their living on the banana plantations. Costa Rica relies on the bananas for about \$40 million a year in concessionary payments and taxes on exports and workers' incomes, a crucial sum in the context of the nation's \$4-billion foreign debt.

After two people were killed and many others injured during a 72-day wage strike by leftist banana workers' unions last year, United Brands decided to shut down the operation in October. Production was damaged by the strike, and the company could no longer compete in the western U.S. markets with cheaper fruit from Ecuador and elsewhere, the company said.

"We recognize the severity" of the decision's impact, said George M. Skelly, United Brands' senior vice president and general counsel, "but we can't afford to continue something like this."

Mr. Skelly said the company would continue

its banana-purchasing and sales operations on Costa Rica's east coast and would continue paying 1,000 nonworking west coast employees at Costa Rica's request, in the hope of reaching a settlement.

Daniilo Jiménez, minister of the presidency of Costa Rica, said in a recent interview that "the social and economic consequences of this are enormous."

He said an International Monetary Fund agreement to help Costa Rica with its debt problems hinged on stable banana production and that United Brands has four years to run on its 50-year banana-planting contract.

"I trusted that the American government would be more interested in helping our little democracy to strengthen itself than in helping a company that may be, apparently, in breach of contract," Mr. Jiménez said. He and the Costa Rican foreign minister, Carlos José Gutiérrez, met in Washington last month with State Department and United Fruit officials.

But the State Department has remained neutral in the dispute.

"We can't get involved in the commercial operations of a U.S. business overseas," a State Department official said.

"The U.S. government," he said, "is never going to lean on a U.S. business that feels it has to do something like that for purely commercial reasons."

The policy has frustrated other nations as well. The Dominican Republic tried last year to win special consideration for its sugar, which is practically its only export, but it was blocked by U.S. sugar interests. It has now threatened to default on its international debt.

Puerto Rico also faces a large unemployment problem, and despite its U.S. commonwealth status its diplomats routinely complain that they cannot get a hearing when Congress is

considering crucial tax and welfare legislation.

The situation has led some critics to assert that Washington pays no attention to friendly nations unless they are facing a communist threat and that U.S. aid rarely helps in solving structural economic problems.

The State Department official disputed this. U.S. aid to Costa Rica, he said, amounted to \$212 million in the 1984 fiscal year and will be at least \$220 million this year, about 5 percent of the Costa Rican gross national product and more per person than the United States gives any other country except Israel.

Mr. Skelly said the company's west coast banana plantations were losing \$6 million a year because of low world banana prices before the strike, which shut down operations. During the strike, more than a third of the banana plants were lost to a fungus for want of spraying and the rest deteriorated, he said, for a further loss estimated in September at \$6 million.

The company and the country have been negotiating on tax rates and fruit prices since mid-1983 in an effort to avoid the current impasse. Mr. Skelly denied that the company had abandoned its contract, asserting that it requires only that bananas be planted, not that they be harvested and sold.

In December, United Fruit proposed a package in which it would sell its 3,000 employees their homes and land parcels for token prices and sell the rest of its Pacific operations to the Costa Rican banana authority for \$15 million.

"We'd love that, but we haven't got \$15 million," a Costa Rican embassy official said.

Current talks concern some kind of lease-back arrangement in which Costa Rica would buy the property over many years, rehabilitate the half of it that can be saved and sell the bananas it produces to United Brands at a reduced price.

## Cambodian Resistance Fails at Guerrilla Tactics

Non-Communist Khmer People's Front Still No Match for Vietnamese Troops

By William Branigin  
Washington Post Service

BANGKOK — Facing the most aggressive Vietnamese offensive along the Thai-Cambodian border since 1979, and unable to defend its large settlements, Cambodia's main non-Communist resistance group appears to be reaching a turning point in its struggle against Hanoi's six-year occupation of Cambodia.

Since mid-November the Khmer People's National Liberation Front, led by Son Sann, has lost six

in the resistance bases, where they acquired relatively comfortable homes with such amenities as video recorders and gardens.

There they were also saddled with the defense of large, concentrated populations of refugees, totaling more than 150,000 of the estimated 250,000 Cambodians who live along the border under the control of the three anti-Vietnamese resistance groups.

Other difficulties impeding the front's development as a guerrilla force in Cambodia include shortages of arms and ammunition and intensified Vietnamese efforts to stop guerrilla infiltration.

The efforts include the construction of a defensive barrier inside Cambodia parallel to the border, for which the Vietnamese reportedly have mobilized thousands of Cambodian civilians.

A major problem for the front is that, although it enjoys Western diplomatic support, it lacks a committed arms donor willing to keep it well supplied.

Most of the front's weapons have come from China, but Beijing has always shown more generosity to the Khmer Rouge, whose 30,000 to 40,000 guerrillas pose the greatest military threat to the Vietnamese.

The third party in the resistance coalition, a faction loyal to Prince Norodom Sihanouk, the former chief of state in Cambodia, is a relatively negligible military force of 3,000 to 8,000 fighters and has not yet come under attack in the Vietnamese offensive.

In fact, there have been indications that Hanoi would like a separate deal with Prince Sihanouk that would give credibility to the Vietnamese-installed Heng Samrin government in Phnom Penh and undermine the resistance coalition.

When Prince Sihanouk was visiting Paris recently, according to Cambodian and Western sources, the Phnom Penh government's foreign minister, Hun Sen, attempted to see him, but the prince refused a meeting.

The Khmer front, apparently the primary target in the offensive, is bearing the brunt of a Vietnamese



Vietnam has reportedly tried to make a separate agreement with Prince Norodom Sihanouk, above, leader of Cambodia's resistance coalition, while Hanoi's troops attack Ampil and other allied camps of Son Sann, above right. He is leader of the Khmer People's National Liberation Front.



### NEWS ANALYSIS

camps along the border to Vietnam, and another has been largely evacuated in expectation of an imminent Vietnamese attack.

The latest to fall was the Ampil camp, a showcase settlement of 23,000 Cambodians about 40 miles (64 kilometers) northeast of the Thai border town of Aranyaprathet. The camp was the site of the front's military headquarters.

The loss of Ampil showed that while the front has made great progress since 1979, when it started with virtually nothing, its approximately 15,000 fighters are still no match for the Vietnamese and remain militarily a junior partner in a resistance coalition with the powerful Khmer Rouge Communists.

The defeat also underscored a necessity for the Khmer front to adapt to guerrilla tactics and try to avoid being pinned down on the border by superior Vietnamese forces drawn from the estimated 160,000 to 180,000 occupation troops in Cambodia.

But the front evidently faces a major and daunting task in attempting to push its struggle into the Cambodian interior with guerrilla methods.

Guerrilla struggle is largely alien to the front's military leadership, which is composed mostly of officers who served under the Lon Nol government that took power in a 1970 coup and was overthrown by the Khmer Rouge in 1975.

They and the camp leaders who have emerged as local warlords seem to value their settled lifestyles

## Marcos Sees Threat From Communists

By Abby Tan  
Washington Post Service

MANILA — President Ferdinand E. Marcos has publicly acknowledged for the first time the seriousness of a Communist threat in the Philippines.

In a message read to the national legislature as it resumed its session Monday, Mr. Marcos called on the nation to unite and fight "this menace to our society."

Mr. Marcos, 67, who has reportedly been ailing since November, did not appear at the legislative ceremonies.

In his statement, he said: "The challenge to us now is to summon anew the will and the resolve to drive back this menace to our society. We must secure the discipline, the patience and the imagination to turn back this tide in our midst."

Mr. Marcos's statement was a departure from previous official pronouncements in which he played down the insurgency waged by the 11,000-member New People's Army.

Richard L. Armitage, the U.S. assistant secretary of defense for international security affairs, held three days of talks with officials, and then called Saturday for more candor in assessing the problem.

Offering the Philippines military and economic aid to fight the Communists, Mr. Armitage said



Richard L. Armitage

that U.S. aid would not be effective unless the problems "are faced squarely and honestly by both sides."

He reflected the frustrations of U.S. officials who have found the Philippine government less than candid in acknowledging the strength and influence of the Communists.

The United States, which has two large military bases in the Philippines, views the rebels with deep concern, Mr. Armitage said.

In his message to the legislature, Mr. Marcos urged the government and the private sector to get involved in the "ideological struggle for the minds and allegiance of men."

He also urged the political opposition to abandon its "quixotic flirtation" with the radicals, saying that its attitude would not advance legitimate political opposition.

## Fighting Breaks Out Again At Cambodia Guerrilla Camp

Reuters

NONG SAMET, Thailand — New fighting broke out Monday at Nong Samet, a base that Cambodian guerrillas of the Khmer People's National Liberation Front have been trying to retake from Vietnamese troops for three weeks, Thai military officers reported.

The Thai officers said machine-gun fire erupted around the base after Vietnamese artillery shells hit the camp Sunday night and early Monday. At least four guerrillas were reported wounded.

Vietnamese troops attacked and seized most of Nong Samet on Dec. 25. Guerrillas recaptured large

chunks of the base a few days later but were unable to push out the remnants of the attacking force because of land mines and a heavy curtain of artillery and mortar fire.

### Prime Minister Is Elected

Hun Sen, the Cambodian foreign minister, was unanimously elected prime minister by the National Assembly on Monday, The Associated Press reported, quoting the official Cambodian press agency SPK.

Hun Sen, who is in his mid-30s, had been serving as acting prime minister since Chan Si died of illness in December. He apparently retains his post as foreign minister.

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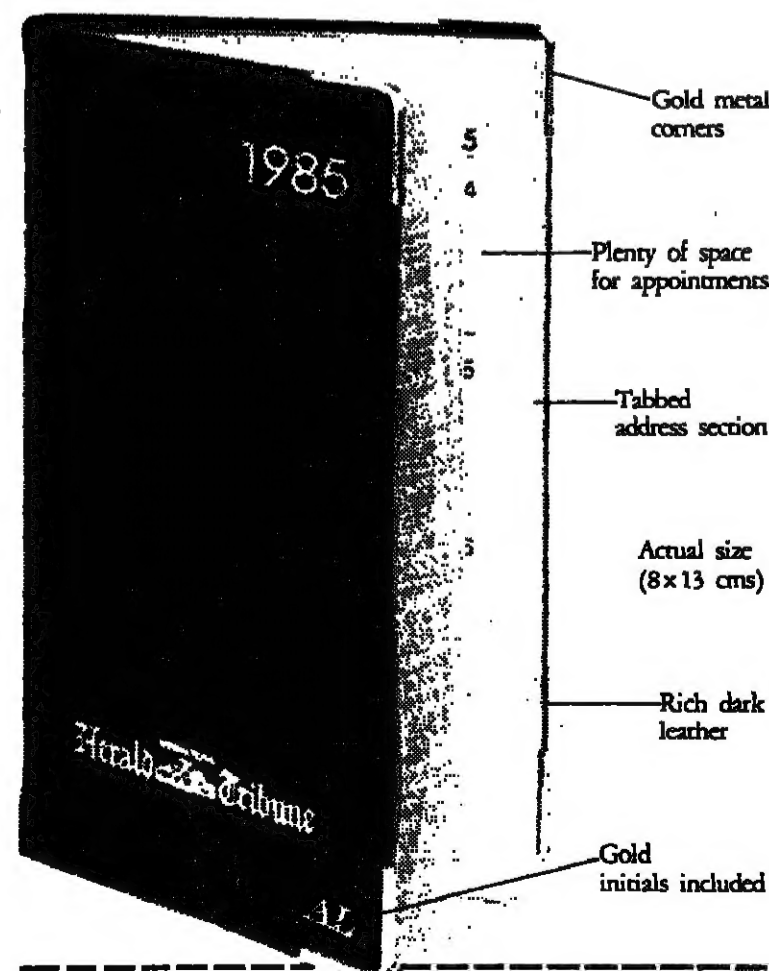
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**International Herald Tribune**



## Kennedy Trip Highlighted Blacks' Rift in South Africa

By Alan Cowell  
New York Times Service

SOWETO, South Africa — Senator Edward M. Kennedy's visit to South Africa has ended in disaster, with some South African commentators suggesting it had hardened white attitudes to change while highlighting divisions and hostility toward the United States within the country's black opposition.

Black demonstrators forced Mr. Kennedy to cancel plans for a speech Sunday at the conclusion of his one-week visit to South Africa. The Massachusetts Democrat was to have addressed a meeting at Regina Mundi Cathedral in Soweto, South Africa's biggest black township, just outside Johannesburg. The cathedral, an unadorned edifice opposite a used-car lot, is where blacks, who are forbidden to hold outdoor meetings, assemble each year to commemorate those who died in disturbances in Soweto in 1976.

Three thousand to 4,000 people had assembled to hear Mr. Kennedy, when about 100 demonstrators of the Azanian People's Organization marched toward the altar, shouting: "No more Kennedy!" They carried placards that described him as an imperialist.

Bishop Desmond Tutu, winner of the 1984 Nobel Peace Prize and one of the senator's hosts, made a plea for calm and then announced that the senator's speech had been canceled.

Kennedy aides said they had recommended cancellation of the speech because it might have led to violence. In an interview aboard the aircraft that later carried him to Lusaka, Zambia, Mr. Kennedy said he had agreed to call off the talk for fear that it would provoke bloodshed if the police intervened.

An impression among reporters and black commentators accompanying the senator was that the cancellation had severely embarrassed Bishop Tutu on his home ground. It also seemed to underscore the shift in black attitudes since Robert F. Kennedy, the senator's brother, toured South Africa in 1966 and received an enthusiastic reception as the herald of a new era.

Since 1966, according to the Reverend Allan Boesak, president of the World Alliance of Reformed Churches and a co-host of the Kennedy visit, black South Africans have become distrustful of the West, particularly the United States, because foreign financial investment in South Africa is seen as supporting the white minority regime.



Senator Edward M. Kennedy with his son, Edward Jr., as they stopped Monday at Heathrow Airport, London, on their way back to the United States after a South African tour. The senator called the tour a "great success."

While the demonstration at Regina Mundi involved only a small number of those present, it seemed to reflect a deepening rift in black politics between those espousing a multiracial opposition to apartheid and those, like the Azanian People's Organization, advocating a protest position that excludes whites.

Speaking to reporters before the speech was canceled, Bishop Tutu said Mr. Kennedy's visit had highlighted divisions that were leading to a "serious realignment" in the politics of black opposition. He described the confrontation as "a watershed."

At the same time, legislators from the liberal end of South Africa's white political spectrum suggested that the visit had hardened white attitudes, producing a sense of chauvinism among those who associate Mr. Kennedy, as a hostile outsider, with black opponents such as Bishop Tutu.

In the cathedral incident, reporters had the impression that Mr. Kennedy's speech had been abandoned because of the presence of the demonstrators, but both the senator and Bishop Tutu insisted later that their concern had been with the possibility of police intervention.

Riot police were a few hundred yards from the cathedral but made no move to enter it.

After word of the cancellation became known, the bishop addressed his followers and said, "I want to find out something from you. Senator Kennedy came to this country at my invitation. He is my guest."

## Major Battle With Rebels Is Confirmed By Morocco

The Associated Press

RABAT — Morocco has confirmed that a major battle took place over the weekend between its forces and Polisario guerrillas in the Western Sahara.

An earlier guerrilla communiqué from Algiers claimed Polisario forces downed a Moroccan Mirage F-1, killed 311 Moroccan soldiers, wounded another 250 and forced a "disorderly retreat."

They later claimed they shot down two more Moroccan planes Sunday in the Dakhla region. The Moroccan Information Ministry confirmed Sunday there had been "violent combat" Saturday between Moroccan forces and "heavily armed and armored mercenaries," but claimed Moroccan troops pushed the guerrillas back with "heavy losses."

Morocco did not say where the fighting took place. The guerrillas said the engagement took place about 100 kilometers (60 miles) from the Algerian frontier along a partially completed defense embankment being built by Morocco.

The battle occurred amid reports of plans to try to hold a meeting that would include the leaders of North African nations, including Morocco, Libya, Tunisia, Mauritania and Algeria.

Algeria actively supports the Polisario, which uses bases on Algerian territory. Morocco and Libya signed a cooperation pact last year.

The conflict in the Western Sahara, formerly the Spanish Sahara, has deeply divided the Organization for African Unity. Morocco pulled out of the OAU after a majority of its members admitted the Polisario's political arm as a full-fledged member.

## 418 Killed, 559 Injured In Ethiopia Train Crash

The Associated Press

NAIROBI — At least 418 people died and 559 were injured when a train was derailed about 125 miles (about 200 kilometers) east of Addis Ababa, the Ethiopian capital, a railroad official said Monday. Ethiopian relief officials said the passenger coaches were thrown into a ravine as the train rounded a curve at high speed Monday.

One relief worker quoted rail officials as saying the engineer apparently failed to reduce the train's speed around the curve, throwing the passenger coaches down the ravine.

## An Angolan City Reveals Its War Wounds

By James Brooke  
New York Times Service

HUAMBO, Angola — Four colonial-era statues, representing Patience, Temperance, Justice and Fortitude, lie abandoned in a field here. Presiding in their place at the former Portuguese governor's palace is a solitary, Soviet-issue bust of Lenin.

The statue switch is one of many changes that have come to this city, once the showcase of Portuguese Africa. In early 1976, the Marxist Popular Movement for the Liberation of Angola extended its control to Huambo, largely sealing off Angola's second-largest city to Western reporters for a decade.

The Portuguese had proudly called this city in Angola's central highlands Nova Lisboa — New Lisbon. Colonial administrators, eager to show off the benefits of five centuries of colonial rule, routinely steered foreign correspondents here.

High-rise apartment buildings sprang up in the 1960s, financed by a wealth of corn and coffee flowing from the surrounding plains. Shops and hotels filled with people who came to trade the muggy heat of the coast for the cool, dry air of the highlands. Freight cars loaded with copper and manganese from mines in Zambia and Zaire rumbled through town on the Benguela railroad, then the principal land route into central Africa.

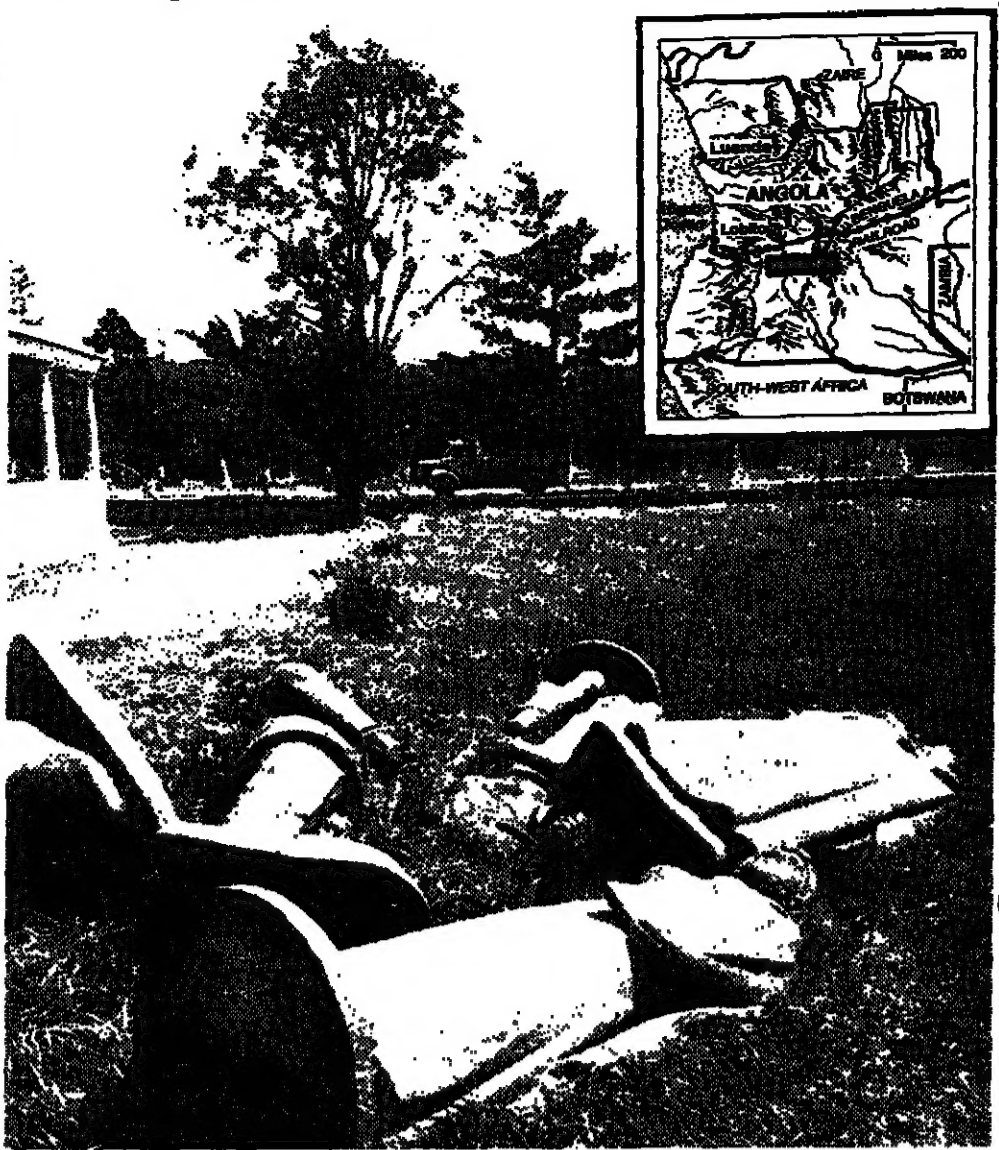
But undermining this prosperity was the reality that local African peasants were not sharing in the wealth that built the white sections of Nova Lisboa.

Statistics collected by Portuguese agronomists in 1971 showed that from 1968 to 1970, white landholdings in the province doubled. In the same period, land cultivated by Africans, who were being moved into strategic settlements, dropped by 36 percent. The same study found that gross income per African farm dropped by two-thirds from 1965 to 1970.

Portugal's dictatorship, which was dedicated to maintaining this status quo, fell in 1974. The next year, the colonial administrators departed, leaving three black nationalist armies to fight among themselves for control of the new nation.

Within weeks, 90 percent of Angola's 350,000 Portuguese fled Angola, including the 18,000 who lived in Huambo. This was one of the largest white flights from post-colonial Africa. Eight years later, Huambo and the rest of Angola have yet to recover from this exodus.

A decade ago, Huambo was envisioned as Angola's Brasília. Today, it looks like Angola's Phnom Penh. The airport, where farmers' planes and tourist flights used to



Toppled statues of the Portuguese colonial era lying in a field in Huambo, Angola.

land, is now home to Soviet transport planes, helicopters and MiG-21 fighters. Visitors walking to the reception area are welcomed by a billboard proclaiming, "Every citizen is — and should feel himself — a soldier!"

A Romanian engineer standing near the runway said there were about 100 foreigners in the city. He ticked off on his fingers: "Russians, Czechs, Poles, Bulgarians and one Vietnamese woman."

Driving into town past the toppled Portuguese statues, one passes shuttered stores, their rows of shelves still bare after looting at independence. The Farmacia Santos is stripped clean of medicine. The Discoteca Nova York is boarded up. The Relojoaria Omega has no watches.

Independence froze construction in midair. The shell of a half-completed high-rise stands across the

street from a political banner urging, "The most important is to resolve the problems of the people." Squatters in a Mediterranean-style villa have repaired a smashed bay window with mud and sticks, the traditional building materials of the African peasant.

The Hotel Almirante, with its faded honeymoon suites and Portuguese decor, is still open for business. But there is no running water and the elevator tends to wander between floors.

On a recent afternoon, a knot of African women and their emaciated children clustered down the block from the Almirante in front of an apartment building where Eastern bloc technicians live.

"Tovarich, amigo," the women holding baskets of fruit called when the three Russians approached on the sidewalk. A young Russian in-

spected the offerings, consulted with his companions and bought two cassavas.

Once the breadbasket of Angola, Huambo province now faces severe food shortages. Workers of the International Committee of the Red Cross, which has a delegation of 45 here, estimate that one-third of the province's population suffers from severe malnutrition.

The food shortages seem to be caused by guerrillas of the National Union for the Total Independence of Angola. The guerrillas draw support from the Ovimbundu tribe, which predominates in Huambo province.

In an interview, Huambo's military commissar, João Ernesto dos Santos, claimed that the South African-supported guerrillas burned crops, terrorized peasants and were trying to strangle the city.

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Charles E. Guilleme (1861—1938), French metallurgist (b. Switzerland), Nobel prize in 1920 for discovering anomalies in nickel-steel alloys.

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Emil H. Fischer (1852—1919), German chemist, Nobel prize in 1902 for synthesizing sugars and purines.



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Willem Einthoven (1860—1927), Dutch physiologist, inventor of the electro-cardiograph in 1903, Nobel prize for medicine in 1924.



Sir Alexander Fleming (1881—1951), Scottish bacteriologist, discoverer of penicillin in 1929, Nobel prize for medicine in 1945.

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## ARTS / LEISURE

## After 5 Silent Years, Songs From Leonard Cohen

By Michael Zwerin  
International Herald Tribune

PARIS — It is possible to pace the terrace of the Café Flore three times looking for him before you spot Leonard Cohen at a table. You will not see him at sneak previews, gallery openings or chic cocktail parties on the islands of Manhattan, Ibiza, Barbados or Hydra. He has been living in a hotel on 44th Street in New York, in an anonymous neighborhood.

Some star — the sort about whom it is said: "Whatever happened to..."

He has just had a book of poetry published; a movie he wrote is being edited; he has made two videos and he has released a new record, "Various Positions." True, these have come after five years of silence, but it's always been "one word at a time" for Cohen.

"My inspiration is just the energy to apply myself, to sit down and do it. I usually pick up my guitar with breakfast but I'm not like Thomas Wolfe writing 40,000 words on top of the refrigerator. There is always a certain urgency to shoot your mouth off, to show off, but I've never operated from a position of luxury. A word, a line, one chord change, then months polishing a verse. Continue, that's all I can do. Baudelaire says it's a matter of self-respect — work is one of the few places where it can still be located. One does have the suspicion of being perhaps lazy, but at the end of a certain period you see you've blackened a few pages."

The hotel has been less a home than a base to be close to his two children. He really has not been

living anywhere, though "it's coming to an end. I feel it's time to dig in somewhere."

Not, however, before a 40-concert tour of Europe, where a singing poet can still have a public. Except for a few large cities, the American audience for the writer of such haunting songs as "Suzanne," "The Stranger" and "Bird on a Wire" and the novel "Beautiful Losers"

(300,000 copies sold) set in his native Montreal, appears to have evaporated.

"I must recognize that promotion and sales time and money spent on me could yield a much greater profit if spent on somebody else. My place, or lack of it, in the competition for rock space and radio time is very clear cut. There is not even room for resentment."

He speaks the way he sings, like a 33-rpm record slowing to 16. It can wind down into a dirge, but the intelligent energy behind the slow pace has hypnotic power.

"I think of myself as a reporter looking at a landscape. I try not to complain too much. I try to be objective. I don't think you can maintain that self-respect unless there's an element of objectivity."

Objective? Leonard Cohen?

"Sure."

I know that you have suffered but suffer this awhile.

Whatever makes a soldier sad will make a killer smile.

From "Various Positions"

"I'd describe that as hopeful."

Hopeful?

Yes. Or how about this?

Dance me to the children who are asking to be born.

Dance me through the curtains that our kisses have outworn.

Raise a tent of shelter now though every thread is torn.

Dance me to the end of love.

"The lines are free to assume various positions, which is what I've called the album, but anybody who lifts their voice in song has to be hopeful."

It might be easier to buy that definition if you are not sitting across a table from him. All the lines on his face are down, and it drops rather than spreads into the occasional smile. The objective hope is being mumbled at a level barely above the background luncheon café hum. He must repeat often to be understood.

"Disraeli said the third part of your life is spent in regret. I don't think so. I've had a pretty clear idea of my road since I was a kid. I tried to say it in a song" (also from "Various Positions").

I did my best, it wasn't much, I couldn't feel so I tried to touch, I've told the truth, I didn't come to fool you.

And even though it all went wrong,

I'll stand before the Lord of Song With nothing on my tongue but Hal-leluah.

Although he maintains that the Bible begins by saying that chaos and destruction were the two elements that formed the world, his hope and objectivity spring from a basic religious faith. It might be described as Hassidic, but he spends a certain amount of time each year with a guru in New Mexico. His new book of poetry is a collection of "contemporary psalms" titled "Book of Mercy."

"I found myself in a certain place where I could not speak. The only thing I could do was address the source of mercy, to forgive others, to forgive myself."

So it was "a relief not to have to represent myself" writing the lyrics for a pop-opera film called "The Merry-Go-Round" in collaboration with another Canadian, Lewis Furber, who wrote the music and directed it. "I wrote the lyrics quickly because the story was outlined already and I didn't have to sing them. What a pleasure not to have to struggle with original meaning."

His first video was a standard pop-music color short of "Dance Me to the End of Love." A friend, the French photographer Dominique Isserman, directed a 30-minute film on the same subject in black and white. "It's very quiet, no flashy effects. It won a Golden Rose at the Montreux World TV Festival in the 'light entertainment' category. People usually don't describe my work that way. It's refreshing to be considered light entertainment."

Leonard Cohen: Mannheim, West Germany, Jan. 31; Münster, Feb. 1; Wiesbaden, Feb. 2; Berlin, Feb. 3; Hamburg, Feb. 4; Helsinki, Feb. 7; Stockholm, Feb. 8; Copenhagen, Feb. 9; tour continues in the Netherlands, Switzerland, France, Spain, Britain, Belgium, Ireland, Austria and Italy, ending March 19 in Rome.



Leonard Cohen: "Continue, that's all I can do."

## New Music Center Opens in St. Paul

By Bernard Holland  
New York Times Service

ST. PAUL, Minnesota — The St. Paul Music Theater, St. Paul's dramatic attempt to draw together the city's physical and artistic elements, opened to the public last week with presentations by the people who will use it most.

Leontyne Price sang as part of the Schubert Club's traditional concert series. The St. Paul Chamber Orchestra officially took up residence. The Minnesota Opera publicly explored its new home for the first time with a performance of "Animalen," by the Swedish composer Lars Johan Werle.

The \$45-million Ordway, which houses two theaters, overlooks the Mississippi River on one side and, on another, brightens and complements the more formal public buildings surrounding Rice Park.

A major force in the building of the center was Sally Ordway Irvine of the Minnesota Mining and Manufacturing family, who made a trip to central St. Paul a few years ago and "lost my temper" at having nothing to do. The Ordway family contributed \$15 million toward the project. The campaign to pay for the rest of Ordway continues.

Its two theaters will house the city's principal musical entities, which have wandered around St. Paul over the years, occupying a succession of less than satisfactory halls. The Ordway is a privately owned, nonprofit corporation and will be presenting shows and concerts of its own. One frequent visitor will be the Minnesota Orchestra, from Minneapolis across the river.

The Ordway Music Theater, designed by St. Paul's Benjamin Thompson, is built in brick, stone, copper and glass. Within are an 1,800-seat concert and opera hall and a smaller theater for 300.

Acoustically, the main hall begins with the traditional materials — wood and plaster — but its acoustician, R. Lawrence Kirkegaard, has installed mechanical ways to reconfigure these elements, much as one would fiddle with the dials of an amplifier at home. To

control reverberation and enhance clarity, sound-absorbing panels can descend into the spaces behind the wooden grills around the hall; curtains come into play; overhead panels are moved mechanically into place. Acoustical shells in the ceiling open and close to reflect sound energy into the balcony.

The chamber orchestra is framed within a movable, adjustable mahogany shell. Most fascinating is a two-story pit elevator — the top level raising to form a thrust stage, and the bottom floor then serving as an alternative orchestra pit.

"Animalen" provided fragmentary evidence of how well all this works. The instrumental sound was well-defined, and, heard, from two separate listening places, the voices seemed brightly projected and clearly articulated.

Less clear is why this exceedingly trivial opera was chosen for the Minnesota Opera's Ordway debut. "Animalen," a fantasy in two acts with a libretto by Tage Danielsson, tells of the animal kingdom's attempts to mediate between two superpowers bent on mutual annihilation. The story, given in an English translation, operates on the premise that Americans and Russians are equally silly — and equally worrisome — in their bellicosity toward one another. It is a shame, given this forum, not to say something new and moving about the arms race.

There are no characters, simply stereotypes.

This opera, now six years old, has had about 500 performances, mostly in Scandinavia and West Germany.



Dorothy Rostler undergoing eyeliner-tattoo surgery.

## Tattooing Can Replace Eye Makeup, But Doctors Underline Possible Risks

By Deborah Blumenthal  
New York Times Service

NEW YORK — A new microsurgical technique — which some physicians describe as a possible health hazard — is being used to tattoo tiny dots of dark pigment permanently along the rims of the eyelids to augment or replace eye liner. It is being offered to growing numbers of women in the offices of plastic surgeons, dermatological surgeons and ophthalmologists.

The procedure, costing \$500 to \$1,500, was demonstrated in New York in recent weeks by Dr. Robert Fenzl for Diopics Medical Products of Irvine, California.

Developers of the process, which was introduced last summer in California, say it has been safely used on about 1,200 women. More than 1,000 were fee-paying customers who had the procedure performed by private physicians. The rest were volunteers.

Prominent dermatologists and ophthalmologists interviewed about the technique voiced concern over possible health hazards stemming from the implantation of foreign material in the delicate tissue around the eyes.

Dr. John F. Romano, a clinical instructor in dermatology at the New York Hospital-Cornell Medical Center, said: "You can have a lot of foreign-body reactions to almost any sort of tattoo implant. He also cited potential allergic re-

actions that could cause the eyelid to swell. He said he was "very skeptical" about the procedure.

About 400 physicians in the United States and Europe have been performing the procedure and 150 to 200 others have ordered the necessary instruments at a cost of \$2,500 each.

At a news conference at the French American Clinic in Manhattan, visitors observed the procedure being performed and heard Dr. Jack Dodick, ophthalmologist in chief and surgeon director of Manhattan Eye, Ear and Throat, speak on behalf of the developers. Describing the procedure as safe and efficacious, he said the probability of complications was "very, very low."

One of two patients who volunteered to have the procedure performed before observers was Kim Puntini, 22, a technical assistant in an ophthalmologist's office in Framingham, Massachusetts. "My eyes are my best feature so why not have them enhanced?" she said. Nine days later, she said: "My eyes look great. I'm so glad I had it done."

The other volunteer was Dorothy Rostler, 42, of Wayland, Massachusetts, an administrative assistant to her husband, an ophthalmologist. In a small operating room, Rostler had her eyelids cleansed and locally anesthetized. The eye area was coated with an antibiotic ointment. Fenzl, using a high-powered microscope, dispensed pigment from a handpiece resembling a white marking pen with a fine steel point that is wired to a power unit controlled by a foot switch. Using a cotton swab to hold the eyelid back, Fenzl implanted a line of tiny dots along the upper lash line. The needle is designed not to penetrate deeper than a millimeter. The procedure takes about 30 minutes.

Patients can choose brown, black or charcoal pigments approved by the U. S. Food and Drug Administration for use in foods, drugs and cosmetics.

Over time the implanted pigment softens slightly, the developers report. They acknowledge that aftereffects may include tenderness, swelling and bruising that can last for up to two weeks. They say most women can return to work the day the procedure is performed.

Prime candidates for the procedure, its developers say, include women with oily skin, which causes makeup to smudge; those who wear contact lenses or bifocals; those who are allergic to most makeup; athletes who cannot wear makeup while they exercise or perform; Orientals and others whose eyelids rub against the browbone, which can cause eye makeup to

smear; those whose eyes tear frequently; and those who have had injuries to or surgery on the eyelids. "If there is suspicion regarding reaction," the company says, the patient will be given an allergy test.

Those ineligible for the operation are pregnant women, those under 18 and anyone who is not sure she wants permanent eyeliner.

The technique, under the trademark Accents Permanent Eyeliner, was formulated by Fenzl, an assistant professor of ophthalmology at the University of California at Irvine, and Diana Starr Langley, president of Diopics Medical Products, which produces the instruments.

Only ophthalmologists, plastic surgeons and dermatological surgeons who have completed a Diopics training course can buy the equipment, a slightly different version of which is produced by Cooper Vision of Palo Alto, California.

Dr. Laurence R. LeWinn, who is director of the department of plastic surgery at the Geisinger Medical Center in Danville, Pennsylvania, and is unaffiliated with Diopics, said he planned to buy the instruments because of patient interest. He added, however: "I don't give the procedure my unqualified endorsement at this time because I always worry when you put in permanent pigment. What if somebody changes their mind and doesn't want it? Because of work I'm involved in using the laser, I suspect that it might be possible to remove it that way if that became desirable."

As for health implications, he said: "The history of tattooing is almost as old as civilization, and there is ample opportunity to observe all types of pigments in the skin. Except for someone who is sensitive to something, the effects are extremely benign."

Dr. Byron H. Demoreest, president-elect of the American Academy of Ophthalmology, said that, before contact lenses were available, metallic oxides were often used to darken the cornea — and create a pupil — in people who had an opaque or a white eye as a result of injury.

Among physicians expressing more concern, Dr. Irwin Siegel, a professor of research ophthalmology at New York University Medical Center, said: "There's been no work long term, no follow-up on this whatsoever. It's tattooing plain and simple, and tattooing has a long and illustrious history of problems."

Specialists recently had a chance to witness the procedure at the convention of the American Academy of Ophthalmology in San Francisco. About half the observers were interested, Siegel recalled, and the rest, he said, were horrified.

## DOONESBURY

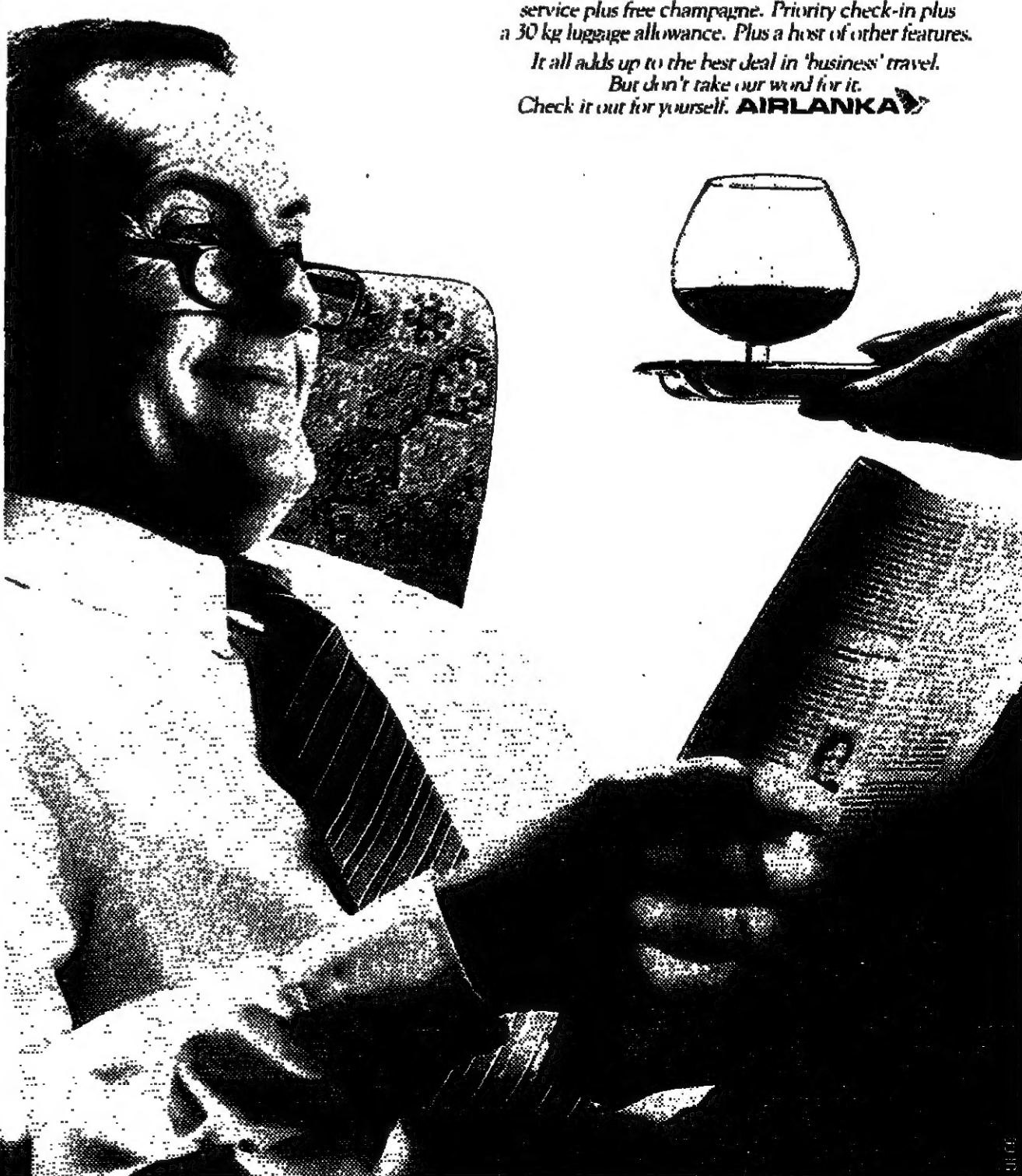


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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
AmEx	28.00	27.75	27.75	+0.25	
AT&T	23.00	22.75	22.75	+0.25	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	

Dow Jones Averages					
Open	High	Low	Last	Chg.	
Index	2744.44	2738.10	2738.10	+6.54	
Trans	274.00	273.00	273.00	+1.00	
Indus	1325.00	1320.00	1320.00	+5.00	
Comp	47.00	46.50	46.50	+0.50	

NYSE Index					
Previous	High	Low	Close	Today	
Composite	11.30	11.20	11.20	11.20	
Indust	11.30	11.20	11.20	11.20	
Transp	11.30	11.20	11.20	11.20	
Finance	11.30	11.20	11.20	11.20	

Monday's NYSE Closing					
Vol.	High	Low	Last	Chg.	
Vol. of 3 P.M.	91,794,000				
Prev. 3 P.M. vol.	93,580,000				
Prev. consolidated close	128,779,430				

AMEX Diaries					
Clear	Prev.	High	Low	Close	
Advanced	1.00	1.00	1.00	1.00	
Declined	1.00	1.00	1.00	1.00	
Unchanged	1.00	1.00	1.00	1.00	
Total Issues	1.00	1.00	1.00	1.00	

NASDAQ Index					
Week	Year	Open	High	Low	Close
Composite	252.16	252.16	252.16	252.16	252.16
Indust	252.16	252.16	252.16	252.16	252.16
Finance	252.16	252.16	252.16	252.16	252.16
Utilities	252.16	252.16	252.16	252.16	252.16

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
AmEx	28.00	27.75	27.75	+0.25	
AT&T	23.00	22.75	22.75	+0.25	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	
IBM	144.00	143.00	143.00	+1.00	

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Out.	Chg.
27.00	27.00	27.00	AmEx	0.25	4.00	15.00	10	27.00	27.00	27.00	100	0.00
23.00	23.00	23.00	AT&T	0.50	4.00	15.00	10	23.00	23.00	23.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00

# NYSE Rally Seen Resuming

**United Press International**  
**NEW YORK** — Prices on the New York Stock Exchange pushed higher late Monday, resuming a rally that was interrupted late last week for some profit-taking.  
 The Dow Jones industrial average was up 8.50 to 1,226.59 an hour before the close. The blue-chip index dipped a bit Friday but had a gain of 33.13 for all of last week.  
 Advances led declines by more than 2 to 1. Volume was about 91.2 million shares, down from 93.5 million in the same period Friday.

Although prices in tables on these pages are from the 4 P.M. close in New York, for time reasons this article is based on the market at 3 P.M.

Prices were higher in active trading of American Stock Exchange issues.  
 Analysts said the stock market would probably test the 1,240-1,250 area on the Dow index.  
 Alfred Goldman of A.G. Edwards & Sons, St. Louis, found the market's performance impressive. He said issues such as IBM, General Electric and General Motors were "attracting aggressive buying and that means the institutions have started to spend money."  
 He noted that the margin of advancing issues over declines and a rise in the Dow transportation index were "confirming a better tone" in the market.  
 "The improved momentum has given the stock market a good shot at breaking 1,245 and revisiting 1,287" on the Dow index in the next few weeks, Mr. Goldman said.  
 Despite the short-term optimism, he said, institutions were still low on cash and the mar-

## Markets in Merger Talks

**United Press International**  
**NEW YORK** — The New York Stock Exchange is holding discussions with the Pacific Stock Exchange on a possible merger, Richard Toranzo, vice president of the NYSE, said on Monday.  
 The announcement came at a time when the NYSE has been studying the possibility of 24-hour trading, in order to accommodate the increasingly international nature of the U.S. markets. Sources say the NYSE, which runs from 10 A.M. to 4 P.M., may expand trading by an hour this year. The Pacific Exchange trading floors in Los Angeles and San Francisco remain open until 4:30 P.M. local time.

ket might have trouble going beyond the 1,287 area.

The federal funds rate was 8 1/2 percent at midday, unchanged from Friday. Some news reports said economists believe interest rates will head upward during 1985 as business activity improves.  
 American Express was near the top of the active list and off a fraction. A block of 3,237,400 shares crossed at 37 1/2.  
 AT&T was unchanged at 20 1/2 following blocks of 600,000 shares at 20 1/4 and 210,000 at 20 1/2.  
 IBM was higher at midday on heavy volume. Other gainers in the technology group included Digital Equipment, Texas Instruments, Motorola, Burroughs and Advanced Micro Devices.

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Out.	Chg.
27.00	27.00	27.00	AmEx	0.25	4.00	15.00	10	27.00	27.00	27.00	100	0.00
23.00	23.00	23.00	AT&T	0.50	4.00	15.00	10	23.00	23.00	23.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00

## INVESTMENT OPPORTUNITY



12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Out.	Chg.
27.00	27.00	27.00	AmEx	0.25	4.00	15.00	10	27.00	27.00	27.00	100	0.00
23.00	23.00	23.00	AT&T	0.50	4.00	15.00	10	23.00	23.00	23.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00
144.00	144.00	144.00	IBM	4.00	4.00	15.00	10	144.00	144.00	144.00	100	0.00

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TUESDAY, JANUARY 15, 1985

FUTURES AND OPTIONS

Philadelphia Hopes Option  
On Value Line Is a Winner

By H.J. MAIDENBERG  
New York Times Service

NEW YORK — One odd thing about the booming market in stock-index futures is that the exchange that introduced them in February 1982, the Kansas City Board of Trade, has been less successful in attracting traders than all the other exchanges that followed its example. The Kansas City exchange trades the Value Line Index futures. Some options market specialists attribute this to the absence of a supporting equities market in Kansas City. Others say the Value Line contracts, which are not easily spread against any of the other index futures, need the support of an options market to stimulate business.

Last Friday, the Philadelphia Stock Exchange moved to address these problems by opening a market in options based on Value Line futures. The first-day volume was 17,100 options.

"Of course, our volume today may reflect the usual opening-day euphoria, but I think we will soon overtake our nearest competitor, the New York Futures Exchange," said Nicolas A. Giordano, president of the 195-year-old Philadelphia exchange.

The New York Futures Exchange traded 7,921 options last Friday in the composite index of its parent organization, the New York Stock Exchange. By comparison, the options volume of the American Stock Exchange's Major Market Index was 13,741. Figures for the most active index options, the Standard & Poor's 100, were unavailable because of computer trouble at the Chicago Board Options Exchange last Friday. Normally the Chicago exchange handles several hundred thousand index-options trades each day.

Michael Braude, president of the Kansas City exchange, was also excited by Philadelphia's opening-day volume.

"What also impresses me is the youth of the floor crowd here," he said. "These young men and women grew up with options, and no one has to convince them that options are the market."

BASICALLY, an option is the right, not the obligation, to buy — "call" — or sell — "put" — the underlying goods at a specified price during a fixed period of time. The option's premium, or cost, depends mostly on the value of the underlying goods and the time remaining before the contract expires.

Stock-index options allow the buyer to speculate on the direction of the stock markets, or to hedge a stock portfolio. In the case of the Value Line options traded on the Philadelphia Stock Exchange, the "goods" are an index of 1,693 stocks traded on various exchanges.

The contract is settled in cash. Each option contract represents \$100, the index multiplier, times the index value. Thus an index value of 180.42 means the contract is worth \$18,042.

Because an option is only the right to buy or sell this "basket of value," the investor pays only a fraction of the value in the form of a premium. As for the option premiums, they are determined by the continuous open-auction method common to all options and futures markets.

In some respects, the Value Line Index is similar to the Big Board's equally broad-based composite average of about 1,500 stocks.

But the Value Line Index contains a larger number of the actively traded "secondary stocks," while the Big Board's composite index has many issues, both blue chips and other stocks that are traded infrequently.

By comparison, the Amex's 20-share Major Market Index correlates closely to the popular Dow Jones industrial average of 30 blue chips. The S&P 500 consists almost entirely of blue chips.

(Continued on Page 11, Col. 3)

First-day volume  
in Philadelphia  
may reflect euphoria,  
its president says.

Accord  
Elusive in  
Laker Suit  
But Talks Useful,  
Sir Freddie Says

The Associated Press

MIAMI — Talks between creditors of bankrupt Laker Airways and representatives of several West European and U.S. airlines failed to reach an agreement to drop a \$997-million antitrust suit, Sir Freddie Laker says.

"We've had a constructive discussion, but there's no agreement," Sir Freddie said Sunday from the Sonesta Beach Hotel in Key Biscayne, Florida.

Creditors of Laker Airways, which pioneered cut-rate transatlantic fares, have filed suit against British Airways and 11 other European and U.S. airlines.

The suit charges that the airlines conspired to bankrupt Laker Airways by manipulating prices and pressuring lenders to shut the carrier down. Sir Freddie's airline went bankrupt in February 1982, owing 260 million pounds, then the equivalent of \$480 million.

"My position is the same now that it has always been. Laker Airways was driven out of business by a criminal conspiracy," Sir Freddie said, "and I want my airline back."

Sir Freddie, who hoped to get \$33.6 million of the damage money to start his airline anew, said he was on his way to Washington, D.C., to "give depositions" in the case in U.S. District Court.

"We're coming to trial in July or August," he said.

In London, the Mail on Sunday newspaper reported that British Airways had offered creditors of Laker Airways about \$84 million in an effort to end the suit.

[A source close to lawyers for the 12 airlines said they had offered Sir Freddie and his creditors between \$40 million and \$50 million, with a personal offer to Sir Freddie of between \$2 million and \$4 million, Reuters reported from London.]

The Mail on Sunday said lawyers for British Airways, acting on behalf of the airlines, made the take-it-or-leave-it offer in Florida on Saturday.

Contacted about the newspaper report, a spokesman for British Airways said, "All parties are anxious to reach a settlement."

The Mail on Sunday said British Airways was trying to settle the antitrust suit to prevent delays in the Conservative government's plan to sell the airline.

Oil Firms' Free Spending May End

Boone Pickens  
Causes Renewed  
Fiscal Discipline

By Michael Blumstein  
New York Times Service

NEW YORK — On the whole, the American oil industry has been able to operate relatively loosely for a decade. Oil prices jumped tenfold during the period, and company coffers brimmed.

But, aside from some increased dividends, much of the money was not returned to stockholders. Instead, it was poured into disappointing diversification efforts, as well as drilling projects that had limited returns.

This free-spending era, however, may now be ending, largely because of the efforts of T. Boone Pickens, the so-called corporate raider from Mesa Petroleum Co., chairman of Mesa Petroleum Co. Analysts say the changes he is causing in the oil industry should bring long-overdue financial discipline to the surviving companies.

The analysts reason that with companies going more heavily into debt, they will have to make more prudent investments.

"In many ways, Boone Pickens is a breath of fresh air," said James Scott, a professor of finance at the Columbia Business School. "Basically, what he's saying is you ought to look at these companies from the point of view of shareholders. It's kind of straight textbook finance."

The Pickens assault on the oil industry started more than two years ago.

He would threaten to buy a company whose stock was de-

Leverage at Major Oil Companies:  
How Much Is Too Little?

Major integrated oil companies ranked by percentage of long-term debt to capitalization (in millions of dollars) as of Sept. 30, 1984

Company	Stockholders Equity (\$ millions)	Long-Term Debt (\$ millions)	Leverage (Debt as Percent of Total Capital)
Chevron*	\$14,588	\$12,784	46.7%
Mobil Corporation*	13,778	11,495	45.4%
Texaco*	14,675	10,968	42.8%
Atlantic Richfield	10,482	4,858	31.7%
Sun Company	5,442	2,320	29.9%
Phillips Petroleum†	6,593	1,969	23.0%
Unocal	5,585	1,083	16.2%
Exxon Corporation	26,929	4,431	13.3%

\* Company completed an acquisition in the first nine months of 1984 that significantly increased leverage.  
† Long-term debt and leverage data do not reflect company's recapitalization plan that would significantly increase debt.

Source: Standard & Poor's Corporation  
The New York Times

pressed, and it would flee to someone else — Cities Service Co. went to Occidental Petroleum Corp., Superior Oil Co. to Mobil Corp., and Gulf Oil Corp. to Chevron Corp., to name a few.

Only Phillips Petroleum Co. has managed to stay independent after a foray by Pickens-led group, but at a price. Last month, it agreed to repurchase 60 percent of its publicly held shares.

As some oil companies bought others, shareholders of the acquired companies received large premiums for their shares. The acquiring companies borrowed heavily to pay for their purchases.

While this has raised worries about huge debt burdens that might weaken the surviving companies, some experts are applauding. They say the increased borrowing will rein in unfruitful

spending by oil companies — on diversification efforts that do not pay off, and on unprofitable exploration, refining and marketing operations.

If less money is poured into wasteful ventures, they argue, profits should rise, and stock prices should follow — even to the point where the companies would no longer be attractive to takeover specialists such as Mr. Pickens.

Some financial experts also argue that heavier borrowing may be an appropriate financial strategy for the industry, which has generally had a fairly light debt load. Debt is considered a less costly means of financing than equity.

(Continued on Page 11, Col. 3)

Norway's Statoil  
Said to Abandon  
Fixed Oil Price

United Press International

OSLO — Statoil, the Norwegian state oil company, decided Monday to abandon fixed prices for its North Sea crude oil and to allow prices to be set by secret agreements with its customers that will be closer to cheaper spot market rates, a high company source said.

North Sea prices have been overpriced at around \$29 a barrel in face of weak world demand and analysts said Norway's decision to lower prices has intensified pressure on OPEC to cut its benchmark price of \$29 a barrel.

"We seek a price that better reflects market prices and will negotiate with our customers" for the period covering December and January, a Statoil source said. He indicated the system may be continued.

[The report of the Statoil decision had no immediate effect on the European spot market, which remained firm because of icy weather. Reuters reported from Rotterdam, quoting traders, Britain's Brent crude negotiated Monday afternoon between \$27.05 and \$27.10 a barrel for cargoes loading next month, up 15 cents from Friday.]

There was no immediate comment from British National Oil Corp., which has been considering pegging its North Sea prices to the spot market.

The Norwegian move followed prolonged uncertainty over prices in the oil market, particularly crude oil sales for future delivery, the Statoil source said.

A Statoil official denied that the action means Norway's North Sea oil price would now follow the spot market.

"We are adjusting to the world market price," the source said. "We don't want to be market leaders. If we announced a price, it might now be seen as an official North Sea price."

"As Britain has not set an official contract price, Statoil feels unable to do so," Norway's oil minister, Kaare Kristiansen, said.

The Organization of Petroleum Exporting Countries repeatedly has threatened to start a price war if Norway and Britain cut their North Sea crude prices.

Although Norway accounts for only 1.1 percent of world oil production, it grabbed the spotlight in October when it reduced its official North Sea crude prices.

Japan Had  
Trade-Surplus  
High in '84

Compiled by Our Staff From Dispatches

TOKYO — Japan reported Monday that its trade surplus in 1984 was a record \$33.67 billion, based on preliminary figures.

The surplus, up from \$20.53 billion in 1983, was led by exports of autos, electronics and steel to the United States, the Finance Ministry reported.

It reported trade surpluses of \$33.11 billion with the United States and of \$10.08 billion with the European Community.

Exports rose 15.8 percent from 1983, while imports climbed 8 percent, the ministry reported.

Exports totaled \$170.13 billion and imports \$136.45 billion, it said. For December 1984, the ministry reported a record monthly surplus of \$4.63 billion, based on preliminary customs-clearance figures.

The December figure was up from \$2.88 billion in December 1983, and from the previous monthly record of \$4.49 billion set in September 1984, it said.

In trade with the United States, the ministry reported that exports for the year totaled \$59.94 billion, a 40-percent increase from 1983. Imports were \$26.83 billion, an 8.9-percent increase over 1983, it said.

Exports to the United States represented 35.2 percent of Japan's worldwide exports in 1984, up from 29.1 percent in 1983, it said.

U.S. Embassy officials in Tokyo, basing their calculations on somewhat different data, calculated that

(Continued on Page 13, Col. 7)

Norfolk Is Seen as U.S. Choice to Buy Conrail

By Reginald Stuart  
New York Times Service

WASHINGTON — The U.S. Transportation Department is expected to name Norfolk Southern Corp. as its choice to buy the government's 85 percent interest in Consolidated Rail Corp., according to railroad industry, investment community and government sources.

Announcement of the choice could be made this week, some of the sources said. The sources agreed that the announcement would come no later than the end of January.

Among the issues in dispute is whether the sale should be negotiated, as the Transportation Department has recommended, or accomplished through a public stock offering, as advocated by Conrail management and some members of Congress.

The Transportation Department has been negotiating separately

since last summer with Norfolk Southern, Allegheny Corp. and J. Willard Marriott Jr., the hotelier, for the sale of Conrail. Each bidder has offered about \$1.2 billion for the railroad and has agreed to comply with a number of conditions demanded by the department to secure the railroad's long-term future.

Conrail, which holds about \$800 million cash, was organized by the government in 1975 to take over the rail service of the bankrupt Penn Central Railroad and six other bankrupt or failing carriers.

Senior officials of the Transportation Department have repeatedly said in recent days that a bidder had not yet been chosen. They said that such a decision would hinge on the findings of reports from the Justice Department on the competitive implications of Norfolk Southern's buying Conrail and a report on tax-policy implications from the Treasury Department.

Also, employees of Conrail, who own 15 percent of the carrier, have completed negotiations with Norfolk Southern on details of its offer to employees, according to Brian Freeman, investment counselor to the unionized Conrail employees.

"It's my view that the Norfolk Southern will offer all that my clients could ask for, but that doesn't mean they'll accept it," Mr. Freeman said.

Mr. Freeman's indication that Norfolk Southern may be willing to make an offer to the Conrail non-management employees that

matches or better those of the two other bidders is one of the signals that appears to point to Norfolk Southern.

Others said that Norfolk Southern had indicated to the Transportation Department that it would make whatever concessions may be needed to meet possible objections about competition from the Justice Department.

The Northeast Rail Services Act of 1981 provided for the sale of Conrail, and a Wall Street source familiar with negotiations with all of the bidders said Norfolk Southern's flexibility on the antitrust issue was significant. "If they can solve the antitrust problem, it seems on paper to be the one bidder that satisfies the requirements of the act," he said.

The Justice Department review, which involved a far-reaching survey of Conrail customers and railroad that interconnect with Conrail, is considered the "largest of the loose ends" according to a senior Transportation Department official.

Norfolk Southern officials have repeatedly refused to comment on the reports. Representatives of Allegheny and Marriott have echoed Transportation Department officials in saying that they have not been officially ruled out.

A proposal for a public stock sale of Conrail, being promoted by Conrail management, has continued to receive a cool reception from the Transportation Department and railroad employees.

Currency Rates

Late interbank rates on Jan. 14, excluding fees.  
Official findings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates at 2 P.M.

	\$	£	D.M.	F.F.	Y.	S.F.	Y.
Amsterdam	3.75	4.00	112.84	26.84	1,129	5.41	134.54
Brussels	46.28	71.50	120.21	26.84	1,129	5.41	134.54
Frankfurt	3.36	3.57	1.57	1.57	1.57	1.57	1.57
London	1.1115	—	—	—	—	—	—
Milan	1,944.70	2,110	414.15	280.26	54.82	73.1	7.28
New York	1,112	1,112	3,192	9,785	1,940.00	3.61	64.23
Paris	9.70	10.95	3.044	—	4,995	2,745	15,311
Tokyo	264.575	282.35	86.37	36.22	13.0	71.17	40.57
Zurich	2.645	2.95	82.57	27.45	1,146	74.11	4.21
1 ECU	6.2625	6.2225	2.222	6.812	1,264.36	2.711	44,515
1 SDR	6.75251	6.68414	3.0838	9.46384	N.O.	3.4845	61,8114

Dollar Values

	Per	U.S.	Equiv.	Per	U.S.	Equiv.	Per	U.S.	Equiv.
0.8771 Australian \$	1.2238	0.9993	Irish £	1.0704	0.9444	Singapore \$	3.1995	—	—
0.8452 Austrian schilling	22.13	0.015	Israeli sheqel	44.52	0.51	S. African rand	1.292	—	—
0.0158 Belgian fr. franc	62.71	0.016	Kanellil dollar	0.3059	0.8012	S. Korean won	80.00	—	—
0.254 Canadian \$	1.2238	0.9993	Malay. ringgit	2.485	0.8257	S. Thai baht	174.28	—	—
0.081 Danish krone	11.35	0.108	Mex. peso	9.19	0.11	S. Thai baht	39.23	—	—
0.15 Finnish mark	6.65	0.029	Port. escudo	170.80	0.0044	Thai baht	29.23	—	—
0.0078 Greek drachma	170.80	0.0007	Port. escudo	170.80	0.0044	Thai baht	29.23	—	—
0.781 Hong Kong \$	7.804	0.2792	Saudi riyal	3.917	0.2792	U.A.E. dirham	34.75	—	—

Source: Reuters.  
(a) Commercial franc (b) Amounts needed to buy one dollar (c) Amounts needed to buy one dollar (\*) Units of 100 (b) Units of 1000 (c) Units of 1000  
N.O.: not available; N.A.: not available  
Sources: Banque de Belgique (Brussels); Banca Commerciale Italiana (Milan); Chemical Bank; Banque de France (Paris); BNP (SDR); Banque Arabe et Internationale d'Investissement (Amman, Beirut, Damascus). Other data from Reuters and A.P.

Interest Rates

Eurocurrency Deposits Jan. 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
3M	8 1/8	5 1/8	5 1/8	4 1/8	12 1/2	12 1/2	10 1/8
6M	8 1/8	5 1/8	5 1/8	4 1/8	12 1/2	12 1/2	10 1/8
1Y	8 1/8	5 1/8	5 1/8	4 1/8	12 1/2	12 1/2	10 1/8

Asian Dollar Rates Jan. 14

	1 mo.	3 mos.	6 mos.	1 year
100 - 8 1/8	—	—	—	—

Key Money Rates

	Close	Prev.	Britain	Close	Prev.
Discount Rate	8	8	Bank Base Rate	11 1/4	11 1/4
Federal Funds	8 1/16	8 1/16	Call Money	11 1/4	11 1/4
Prime Rate	9 1/16	9 1/16	91-day Treasury Bill	11 1/4	11 1/4
Broker Loan Rate	8.00	8.00	3-month Interbank	12 1/4	12 1/4
Comm. Paper, 30-179 days	7.74	7.74	—	—	—
3-month Treasury Bills	6.04	6.03	Discount Rate	6 5/16	6 5/16
6-month Treasury Bills	7.80	7.70	Call Money	6 5/16	6 5/16
CD's 30-90 days	7.85	7.87	45-day Interbank	—	—

Gold Prices

	A.M.	P.M.	Close
Lombard Rate	350.75	351.25	—
Overnight Rate	350.75	351.25	—
One Month Interbank	350.75	351.25	—
6-month Interbank	350.75	351.25	—

U.S. Banks Report Rise in Earnings

United Press International

NEW YORK — Argentina's payment of \$850 million in overdue interest contributed only slightly to a 32.8-percent fourth-quarter earnings gain by J.P. Morgan & Co. and a 9.1-percent increase for Chase Manhattan Corp., the banks reported Monday.

First Chicago Corp.'s fourth-quarter earnings were up 16 percent but 1984 earnings were 55 percent lower, reflecting huge unexpected loan charge-offs in the third quarter.

Morgan, whose principal subsidiary, Morgan Guaranty Trust, is the fifth-largest U.S. bank, earned \$167.5 million or \$1.36 a share in the fourth quarter of 1984, up from \$126.1 million or \$1.44 a share in the 1983 quarter.

For 1984, Morgan earned \$537.6 million or \$6.07 a share, up 16.9 percent from \$460 million or \$5.26 a share in 1983. The 1984 per share figure reflects a 2-for-1 stock split Dec. 12, 1984.

Morgan said payment by Argentina on Dec. 28 of a total \$850 million in overdue interest brought \$349 million of Morgan's Argentine public sector debt current through Oct. 31, and enabled it to restore \$113 million of the loans to accrual status. This was partly offset by certain Peru loans put into nonaccrual because of overdue interest.

Without the Argentine payment, Morgan's net interest earnings would have been reduced by \$28.8 million and net income would have been \$14.2 million lower.

Excluding the Argentine payment Morgan's 1984 earnings increase was primarily the result of a \$117-million increase in noninterest (trading and fees) income in 1984 and to a sharp decline in loan-loss provision.

The impact of Argentina's interest payment varied among banks depending on maturities of loans held by each bank.







## BUSINESS ROUNDUP

## Royal Bank of Scotland, Charter Agree on Sale

**Compiled by Our Staff From Dispatches**

LONDON — Royal Bank of Scotland PLC has agreed to buy Charterhouse Group PLC for £151.6 million (about \$169 million) from Charterhouse J. Rothschild PLC, the two companies announced in a joint statement Monday.

The Charterhouse Group consists mainly of the London-based merchant bank, Charterhouse J. Rothschild PLC, and several development-capital companies.

## Soviet Gets Credit Of \$100 Million

**FRANKFURT** — The Soviet Union's International Bank for Economic Cooperation signed in Frankfurt on Monday for a \$100-million, seven-year Eurocredit, lead manager Commerzbank AG said.

It said the credit, with a grace period of four years, would be used to improve trade relations between Western countries and Comecon, the Soviet-bloc trading group.

Commercial banking sources said the credit carries a margin of 1/4 point above the London interbank offered rate for the first four years and 1/2 point over for the remaining three. No U.S. bank took part in the 10-bank group.

## Sales of U.S.-Built Trucks Up

**DETROIT** — Sales of U.S.-built trucks rose 30.6 percent in 1984 to 3,537,515 units from 2,709,389 units in 1983, the Motor Vehicle Manufacturers Association said Monday. But December sales were down 0.1 percent to 263,243 units from 263,494 units in December 1983, the association reported.

## Nestlé Exercises Option for Hills

**VEVEY, Switzerland** — Nestlé SA, the large Swiss food company, said on Monday that it has exercised its option to purchase Hills Brothers Coffee Inc. of San Francisco, a major producer of roast and ground coffee.

Company officials declined to say what price had been paid for control of Hills Bros., whose sales in 1983 totaled about \$350 million, according to a Nestlé statement.

Nestlé said Hills Brothers has about 1,000 employees in four manufacturing facilities in San Francisco; Edgewater, New Jersey; New Orleans, and Casa Grande, Arizona.

## K Mart to Buy Pay Less Drug Stores

**TROY, Michigan** — K Mart Corp. will purchase Pay Less Drug Stores Northwest Inc. under a \$500-million merger agreement, the companies announced Monday.

Analysts said the transaction is an attempt by K Mart to further expand its discount retailing operations.

In the first step of the merger, a subsidiary of K Mart will make a cash tender offer to purchase all shares of Pay Less at \$27 a share.

The companies said Pay Less has granted K Mart an option to purchase nearly 1.8 million authorized but unissued shares of Pay Less common stock at \$27 a share. If the

option were exercised in full, the shares would represent approximately 9.8 percent of all shares outstanding in Pay Less.

The merger is subject to regulatory approval and approval by shareholders of Pay Less. The Willamette, Oregon, chain operates 164 drug stores in Oregon, Washington, California, Idaho and Nevada. Its financial adviser in connection with the K Mart transaction is Merrill Lynch Capital Markets.

Pay Less shares closed at \$27.25 Friday on the New York Stock Exchange.

K Mart, the second-largest U.S. retailer — after Sears, Roebuck & Co. — operates more than 2,100 stores in the United States and Canada. Analysts said its decision to purchase Pay Less is part of a long-term strategy to expand its

discount retailing operations into new areas.

As part of this strategy, K Mart has also acquired the Waldenbooks bookstore chain and the Home Centers of America chain of do-it-yourself home improvement stores, said Monroe Greenstein, a retail industry analyst for the securities firm Bear, Sterns & Co.

"It's basically a sound strategy," Mr. Greenstein said, "since K Mart's traditional business in discount retail stores is pretty mature, and they need new areas of growth."

K Mart's chairman, Bernard M. Faber, and the Pay Less chairman, Edward B. Hart, said that "the long-term prospects for Pay Less and its employees will be enhanced by an affiliation with K Mart."

Notice

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**Due 1991**

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By: The Chase Manhattan Bank,  
National Association, New York

Fiscal Agent



## COMPANY NOTES

**Multi-Purpose Holdings BHD** said it raised its stake in Malaysian French Bank BHD to 70 percent from 51 percent by purchasing a further 7.6 million shares for 26.1 million ringgits (\$10.6 million).

**Datapoint Corp.** said it would consider an offer by Asher Edelman to buy Datapoint for \$23 per share, but had refused his requests for 60 days to study confidential company information, for an agreement to buy 18 percent of Datapoint's 20.2 million shares and for a commitment not to consider any other offers.

**Mitsubishi Corp.** is issuing \$300 million of 10-year Eurobonds paying 10 1/2 percent and priced at par, bond market sources said. Fees total 2 percent.

**Avon Products Inc.** will issue yen-denominated Eurobonds later this week. Yamauchi International (Europe) Ltd., lead manager for the issue, said.

**Autopista Vasco-Aragonesa, Concessionaria Espanola SA** has asked Merrill Lynch Capital Markets to consolidate five loans for

300 million Deutsche marks (\$95.2 million) and 61.5 million Swiss francs (\$23.3 million) signed between 1979 and 1981, and to refinance six loans signed between 1978 and 1980. The new loan would be for seven years, with four years grace, and carry interest at 1/2 percent above the London interbank offered rate for the first two years and at 3/4 percent in the remaining five years.

**Kuala Lumpur Kepong BHD** said it will accept an alternative offer of slightly over \$14 million from Kumpulan Jelutong BHD, a subsidiary of Kumpulan Guthrie SDN, for its 26.23 percent holding in Highlands and Lowlands BHD. **Courier-Journal and Louisville Times Co.** WHAS Inc. and Standard Gravure Inc., owned by the Bingham family of Louisville, Kentucky, could get their first outside shareholder as the result of a decision by Sallie Bingham, daughter of chairman Barry Bingham Sr., to consider offers from nonfamily members for her shares. She estimated her ownership at 15 percent in the family holdings.

**Holiday Inns Inc.** will invite holders of its common stock to tender shares at prices between \$46 and \$49 a share, as specified by the shareholders.

**NEC Corp.** said it had received an order from Kuwait for a mobile telephone system worth \$51 million to be established in December 1986.

**MGM-UA Entertainment Co.** has no plans to transform the publicly held movie studio into a privately owned company, Chairman Frank Rothman said. Last year, the controlling stockholder, Kirk Kerkorian, made and then withdrew an offer to buy out the public's 50-percent holdings.

**General Motors Truck and Bus Group**, a unit of General Motors Corp., said it will invest nearly \$400 million to expand light truck production at a plant in Pontiac, Michigan, by mid-1986.

**A.E. Staley Manufacturing Co.** said it has sold some of its soybean milling operations to independent Soy Processors Co. for an undisclosed sum.

## Oil Firms' Free Spending May End

(Continued from Page 9)

School. "You had a lot of companies with maybe 15 percent debt relative to total capital, while in other industries you had companies with 50 or 60 percent debt."

Examples of diversification moves that have backfired are abundant.

In the last year alone, for example, Exxon Corp. said that it was discussing the sale of its office-supply

division, and Atlantic Richfield Co., which bought Amstar Minerals Co. for \$700 million in 1977, took a \$785-million write-off for the planned sale of some of the acquired metals, minerals and chemicals assets.

**Ashtand Oil Inc.** took a \$270-million write-off for its planned sale of an insurance company and other nonoil operations, and Pennzoil Co. announced a \$67-million write-off because of its withdrawal from the mining of base metals, precious metals and potash.

Other diversification efforts with poor returns have included Exxon's \$1.2-billion purchase of Reliance Electric in 1979; Standard Oil Co. of Ohio's \$1.8-billion purchase in 1981 of Kennecott Copper Co., and Mobil's \$2-billion purchase of Marcor, parent of Montgomery Ward & Co., the retailer, and the Container Corp. of America.

"Mostly, diversification has been a big waste of money," said M.A. Adelman, an economics professor at Massachusetts Institute of Technology. "If I were a stockholder, I would be agitated."

If new debt reduces the money available for diversification, it is also likely to curtail expensive and often unsuccessful exploration, such as last year's Mukluk drilling in the Beaufort Sea, off Alaska.

At \$1.6 billion, Mukluk was the most expensive dry hole in history. Oil companies typically say they are drilling for the long term, and some efforts are bound to fail.

But sharply rising exploration costs and soaring bids for leases, particularly in the face of falling oil prices and increased difficulties in finding new oil, have raised questions about whether the industry is spending wisely.

Analysts estimate that it costs \$12 to \$16 a barrel to find oil that will not be pumped for years.

The discounted value today of the money that will be paid for that oil, analysts estimate, is \$9 a barrel. Analysts also say a cut in refining and marketing — two areas that have become large money losers as energy demand and prices have

waned — would be welcome.

## Philadelphia's New Option

(Continued from Page 9)

and the S&P 100 contains the bluest chips of all.

Still, the fact that the Philadelphia exchange is the third-largest stock-options market after the CBOE and the Amex should provide ample support for its Value Line options.

The exchange also plans to open a futures market soon, and it has already been named the Philadelphia Board of Trade. The board's president, Arnold F. Staloff, said the first product will be options on Eurodollar time deposits that will be settled in cash.

Why trade them on a futures exchange? Mr. Staloff replied: "The Securities and Exchange Commission has ruled, in effect, that options on Eurodollars are not securities. But the Commodity Futures Trading Commission, meanwhile, was willing to accept our application to open a futures market. And that is where we hope to trade them."

Mr. Staloff's next project will be to open a market in index options on 100 over-the-counter stocks.

"We believe our proposed cash-settled 'OTC 100' options are an excellent surrogate for the more than 4,000 issues now traded in the over-the-counter market," he said. "If this options contract is approved, we may also open markets in an OTC 100 futures, and options based on these futures."

The Philadelphia Stock Exchange is also negotiating to link up with the London International Financial Futures Exchange and the Hong Kong Stock Exchange.

## S. Korea Firms' Profits Rose 13.8% Last Year

**SEOUL** — The 207 companies listed on the Korea Stock Exchange earned aggregate net profits of \$73.8 billion won (\$69.9 million) in 1984, up 13.8 percent from 1983, on sales of 36,480 billion won, up 10.6 percent, preliminary figures show.

In 1983, profits and volume rose 20.1 percent and 49.7 percent, respectively, over the 1982 level. Stock exchange officials said Monday that an overall business slowdown in the second half of last year and increased financing costs moderated growth of the companies.

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Quotations Supplied by Funds Listed

14 January 1985

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose assets are based on issue prices. The following quotations are not intended to indicate frequency of quotations supplied for the INT.

(d) = daily; (w) = weekly; (b) = bi-monthly; (q) = quarterly; (y) = yearly.

ALMAL MANAGEMENT

(w) ALMAL Trust, S.A. \$17.36

(w) JULIUS BARR & CO. L.S. \$22.15

(d) Bond Fund \$11.40

(d) Bond Fund \$11.40

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Julius Baer International Limited

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Banca della Svizzera Italiana

Bank für Gemeinwirtschaft Aktiengesellschaft

Bank Gutzwiller, Kurt, Bauguer (Overseas) Limited

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Bank J. Vontobel & Co. AG

Bankers Trust International Limited

Banque Bruxelles Lambert S.A.

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Dominion Securities, Pifford Limited

Enskilda Securities Skandinaviska Enskilda Limited

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Genossenschaftliche Zentralbank AG Vienna

Hamburgische Landesbank - Girozentrale

Goldman Sachs International Corp.

Hambros Bank Limited

Handelsbank N.W. (Overseas) Ltd.

Georg Haack & Sohn Bankiers Kommanditgesellschaft auf Aktien

Hessische Landesbank - Girozentrale

Hilt Samuel & Co. Limited

Industriebank von Japan (Deutschland) Aktiengesellschaft

Istituto Bancario San Paolo di Torino

Kreditbank N.V.

Landesbank Rheinland-Pfalz - Girozentrale

Kleiber, Prades et Cie

Lehman Brothers International Shearson Lehman/American Express Inc.

Lloyds Bank International Limited

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Tirolische & Burkhart

Union Bank of Finland Ltd.

Union Bank of Switzerland (Securities) Limited

Verband Schweizerischer Kantonalbanken

Vereins- und Westbank Aktiengesellschaft

M.M. Warburg-Brinckmann, Wirtz & Co.

Wolfsburg & Co. Ltd.

Wardley

Westfalianbank Aktiengesellschaft

Dean Witter Capital Markets - International

Wood Candy Inc.

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VOL. of 3 P.M. ....	7,330,000
Prev. 3 P.M. vol. ....	N.A.
Prev. consolidated close	7,300,000

him include the nationwide prices up to the closing on Wall Street

2 Month		Stock	Div.	Yld. %	PE	Std.	100s		Close	Quot. Chg.
High	Low						High	Low		

[illegible]

Published With The New York Times and The Washington Post

هكذا من الامثلة



# In Hungary, Communists Raise Capital by Issuing Bonds

By John Tagliabue  
New York Times Service

BUDAPEST — Hungary's Communist leaders, evidently regarding stocks and bonds as so much capitalist tinsel, in the 1960s turned here — an immense art nouveau granite heap opposite the United States embassy — into television studios.

Two decades later, Hungary has become the first Soviet-bloc country to reintroduce interest-bearing bonds. It is a bold design to boost domestic savings that some Western analysts said could also spur industrial efficiency by making companies accountable to investors.

"The demand arose for a regrouping of capital, for a focusing of capital," according to Janos Radnoti, director of Hungary's State Development Bank, who is credited with creating the bond plan.

"The idea was not only more capital," he explained recently, "but a flow of capital to companies that are most profitable."

The impetus for developing the Hungarian market, Mr. Radnoti said, began with the credit squeeze

of 1982. Hungary was severely pinched when Western banks, frightened by Poland's financial collapse and the grave payment problems of Romania, called in loans.

Late that year, the Hungarian government authorized domestic institutions — cities and towns, companies and banks — to raise capital by issuing interest-bearing bonds.

The object of the program was to raise funds from individuals and companies that were not then available to the government, and to channel the money where it was needed quickly. Just how much capital is potentially available is not known.

Before the bond program was started, the state had basically two ways of raising capital: taking corporations and offering individuals savings accounts in state banks or time deposits, which pay slightly higher rates than savings accounts.

The system is flawed because companies can squirrel away capital reserves that the state cannot reach, and it does not address the main problem the state faces in a Communist system with centrally

planned capital allocations: getting money quickly to where it is needed.

Banking officials hoped the bond program would address those problems. The State Development Bank set interest rates, Western-style, by testing the market, starting with a modest 9 percent offer, and edging up to current rates of from 11 to 14 percent.

Ideological critics were dismayed by a government pledge to guarantee the bonds through an offer to repurchase them within a 5-percent price band. Mr. Radnoti said, "For years we've given interest on one digit before the percentage mark is socialism, while two is capitalism."

Bank officials said about two dozen issues have reached the market so far, raising a modest \$30 million. When asked just how much the state would like to raise on the bond market, one official smiled and replied, "Let's say, the sky's the limit."

The biggest borrowers to date, bankers said, have been Hungarian municipalities seeking funds for local improvements ranging from new roads and day-care centers to

new telephone service. Some cities, in a fair of marketing werve, have attracted investors by offering preferred service, such as early telephone installations or a place in a day-care center, to bond buyers.

At the same time, a remarkably large share of the investment money has come from the private sector, rather than from state-controlled businesses. "They've driven the private saver out of the woodwork," remarked a Western diplomat who watches the Hungarian economy.

Western diplomats said the bonds lure Hungarians because of a limited range of investment alternatives in the Communist economy. "Pass books bring little," one diplomat said. "Beyond that, you can start a little business, or maybe buy works of art. But the range is narrow."

Under current rules, investors may also sell their bonds and advertise their offering. The newspapers publish tables with price quotes and interest rates daily, and the blossoming of a resale market caused the Development Bank to establish an official secondary market last September.

Still, the meager \$30 million in

bond sales so far prompted one Austrian banker to talk of the enterprise as a "curiosity." Other Western analysts disagreed, arguing that the value of the system may lie in its forcing companies to report performance honestly.

Companies and municipalities have to report their financial standing to the Ministry of Finance before they can get permission to issue bonds. This requires filing a prospectus that is usually published entirely, or in part, to boost public interest in the issue.

Bondholders do not have a say in the companies or municipalities whose bonds they buy. Giving investors a direct voice in how companies are managed would come only with the sale of stock. And Hungarian planners have, in fact, toyed with the idea.

## U.S. Airline Resumes Flights

United Press International

FORT LAUDERDALE, Fla. — Northeastern International Airways, which fled for protection from its creditors under U.S. bankruptcy law on Jan. 8, resumed \$59 flights between Fort Lauderdale and Philadelphia on Monday.

## Industry Output In China Grew 13.6% Last Year

The Associated Press

BEIJING — The output value of China's industries in 1984 rose 13.6 percent to a record 700 billion yuan (\$250 billion), the State Statistical Bureau said Monday.

Crude oil and coal production rose 8 percent, and 6.6 percent more electricity was generated, according to the statistics reported by the Xinhua news agency.

The bureau said that 1984 coal output was 770 million metric tons, oil production was 114.5 million tons (33.6 billion U.S. gallons) and electricity generation totaled 374.5 billion kilowatt hours.

The antiquated railway system showed growth of 4.4 percent in freight to 1.2 billion metric tons.

In the consumer sector, just under 10 million television sets were manufactured, up 45.7 percent from 1983.

## Japan's Trade Surplus Swells To a Record \$33 Billion

(Continued from Page 9)

Japan's 1984 trade surplus with the United States was \$34.3 billion. For 1983, Japan had reported an \$18.1-billion trade surplus with the United States, while U.S. government figures put the surplus at \$21.6 billion.

The growing Japanese trade surplus with the United States has been a key source of friction between the two nations.

U.S. officials have called on Japan to open its domestic markets and take other actions to reduce the surplus, which U.S. officials fear may grow to \$45 billion next year.

Japanese leaders, while agreeing to some market-opening measures, have said the strong dollar and tight U.S. budget contribute to the surplus.

Prime Minister Yasuhiro Nakasone, during his Los Angeles meeting with President Ronald Reagan earlier this month, promised to look into ways to speed up the opening of Japan's markets to U.S. products.

The Finance Ministry reported that 1984 exports to the EC

amounted to \$19.41 billion, a 4.8-percent increase. Imports from the EC were \$9.33 billion, a 14.9-percent increase over 1983, it said.

For 1983, Japan had reported a \$10.4-billion trade surplus with the community, while the EC reported the surplus at \$12 billion.

(AP, UPI, Reuters)

## China Provincial Airline To Acquire Boeing 737s

Reuters

BEIJING — Yunnan province in southwestern China has bought two Boeing 737-300s for its own airline, the first order for the U.S. company since China began to split up its airline monopoly.

The planes will be used on domestic and international routes after they are delivered in November 1985 and February 1986, the Xinhua news agency said Monday. Boeing will train Chinese personnel and send experts to help operate the planes.

## Over-the-Counter

NASDAQ National Market Prices

Jan. 14

Sales in 100s High Low 3 P.M. Chgs.

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NASDAQ National Market Prices

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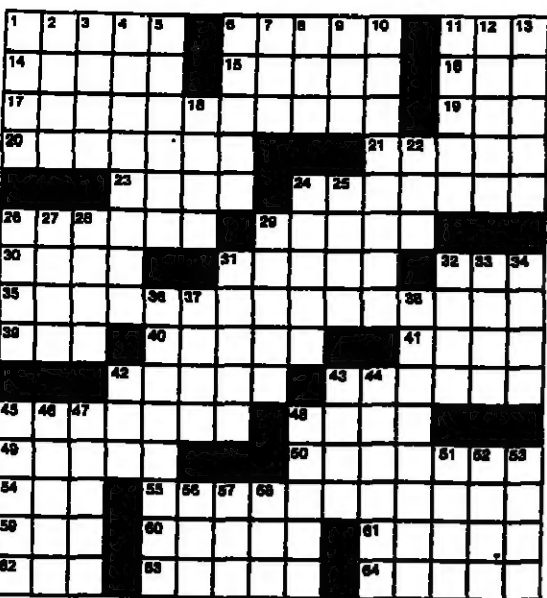
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**ACROSS**

1 "Gypsy Love" composer  
6 Actress June  
11 Fashionable resort  
14 Omit  
15 Dress designer  
16 Jewish Ben  
17 Principle of Martin Luther King Jr.  
19 Cultural period  
20 Composer  
21 Vivaldi  
22 Netherlands river  
24 "Odyssey" enchantress  
25 Wavy, in Orly  
26 Prefix for present  
27 Virtuous  
28 Toga  
29 Repasts  
31 Ancient capital of Edom  
32 Historian  
33 Basso Pina  
34 Golfer Daniel  
36 Leonine  
37 H.S. test  
38 Storm particle  
42 Ammoniac  
43 Weakness  
44 Manage  
45 Ike's opponent at the polls  
46 Finn's creator  
47 Soprano  
48 Worn out  
51 Elial  
52 "The Fountainhead" author  
53 Captain Hook's nemesis  
54 Cartoonist  
57 Hundredth of a hectare  
58 London's "Old" theater

**DOWN**

1 Horne in "Stormy Weather"  
2 N.C. college  
3 Clue  
4 Supporter  
5 Pulled up after a canter  
6 Serf  
7 Tilt  
8 Sportscastrer  
9 NASDAQ term  
10 Fills with joy  
11 Decalogue  
12 Washington sound  
13 Kingdom is one  
18 Like  
19 Jazzman Getz  
49 Reside

*New York Times, edited by Eugene Malachuk.*

## PEANUTS



## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## GARFIELD



## DENNIS THE MENACE



## JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

K R A M E

D U F I L

S L Y G U N

E N B L M

Answer here: A

THE FEELING HE GOT WHEN HE SAW THAT THE BOAT HAD SPRUNG A LEAK.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: The model decided to marry the artist because she was this—DRAWN TO HIM

## WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	10	8	4	12	10
Austria	10	8	4	12	10
Belgium	10	8	4	12	10
Denmark	10	8	4	12	10
France	10	8	4	12	10
Germany	10	8	4	12	10
Greece	10	8	4	12	10
Ireland	10	8	4	12	10
Italy	10	8	4	12	10
Japan	10	8	4	12	10
Latvia	10	8	4	12	10
Lithuania	10	8	4	12	10
Poland	10	8	4	12	10
Portugal	10	8	4	12	10
Romania	10	8	4	12	10
Slovakia	10	8	4	12	10
Slovenia	10	8	4	12	10
Spain	10	8	4	12	10
Sweden	10	8	4	12	10
Switzerland	10	8	4	12	10
Turkey	10	8	4	12	10
Ukraine	10	8	4	12	10
USSR	10	8	4	12	10
Yugoslavia	10	8	4	12	10

## Canadian Stock Markets

Toronto	High	Low	Close	Change
3500 S&P 500	330	325	328	+3
3500 Dow Jones	1120	1115	1118	+3
3500 NYSE Comp	100	98	99	+1
3500 NASDAQ	100	98	99	+1
3500 CIBC	100	98	99	+1
3500 Bell	100	98	99	+1
3500 Alcan	100	98	99	+1
3500 Inco	100	98	99	+1
3500 Noranda	100	98	99	+1
3500 Placer	100	98	99	+1
3500 Teck	100	98	99	+1
3500 Vale	100	98	99	+1
3500 Xerox	100	98	99	+1
3500 IBM	100	98	99	+1
3500 Microsoft	100	98	99	+1
3500 Apple	100	98	99	+1
3500 Oracle	100	98	99	+1
3500 Sun	100	98	99	+1
3500 HP	100	98	99	+1
3500 Intel	100	98	99	+1
3500 AMD	100	98	99	+1
3500 Cyrix	100	98	99	+1
3500 NEC	100	98	99	+1
3500 Toshiba	100	98	99	+1
3500 Sony	100	98	99	+1
3500 Philips	100	98	99	+1
3500 LG	100	98	99	+1
3500 Samsung	100	98	99	+1
3500 Hyundai	100	98	99	+1
3500 Daewoo	100	98	99	+1
3500 KIA	100	98	99	+1
3500 Hyundai	100	98	99	+1
3500 Daewoo	100	98	99	+1
3500 KIA	100	98	99	+1

## Other Markets

Jan. 14	Close	Prev.	Change
London	272.30	271.50	+0.80
Paris	113.64	113.50	+0.14
Frankfurt	113.64	113.50	+0.14
Amsterdam	113.64	113.50	+0.14
Brussels	113.64	113.50	+0.14
Hong Kong	113.64	113.50	+0.14
Singapore	113.64	113.50	+0.14
Tokyo	113.64	113.50	+0.14
Osaka	113.64	113.50	+0.14
Manila	113.64	113.50	+0.14
Bombay	113.64	113.50	+0.14
Calcutta	113.64	113.50	+0.14
Rangoon	113.64	113.50	+0.14
Colombo	113.64	113.50	+0.14
Madras	113.64	113.50	+0.14
Hyderabad	113.64	113.50	+0.14
Bangalore	113.64	113.50	+0.14
Chennai	113.64	113.50	+0.14
Coimbatore	113.64	113.50	+0.14
Trichy	113.64	113.50	+0.14
Madurai	113.64	113.50	+0.14
Tirunelveli	113.64	113.50	+0.14
Vellore	113.64	113.50	+0.14
Thiruvananthapuram	113.64	113.50	+0.14
Port Blair	113.64	113.50	+0.14
Andaman Islands	113.64	113.50	+0.14
Nicobar Islands	113.64	113.50	+0.14
Chandigarh	113.64	113.50	+0.14
Delhi	113.64	113.50	+0.14
Jaipur	113.64	113.50	+0.14
Bhopal	113.64	113.50	+0.14
Indore	113.64	113.50	+0.14
Bikaner	113.64	113.50	+0.14
Udaipur	113.64	113.50	+0.14
Varanasi	113.64	113.50	+0.14
Allahabad	113.64	113.50	+0.14
Meerut	113.64	113.50	+0.14
Rohtak	113.64	113.50	+0.14
Faridkot	113.64	113.50	+0.14
Amritsar	113.64	113.50	+0.14
Patna	113.64	113.50	+0.14
Gorakhpur	113.64	113.50	+0.14
Varanasi	113.64	113.50	+0.14
Allahabad	113.64	113.50	+0.14
Meerut	113.64	113.50	+0.14
Rohtak	113.64	113.50	+0.14
Faridkot	113.64	113.50	+0.14
Amritsar	113.64	113.50	+0.14

## BOOKS

## BRIGHT RIVER TRILOGY

By Annie Greene. 256 pp. \$14.95.  
Simon and Schuster, 1230 Avenue of the Americas,  
New York, N. Y. 10020.

Reviewed by Jonathan Yardley

THIS exceptionally intelligent and appealing first novel is being compared by its publisher, for promotional purposes, to Judith Guest's "Ordinary People." The comparison isn't mere hype. Like Guest's novel, Annie Greene's has come from an unknown writer and has convinced its surprised publisher that its literary merits are matched by its commercial possibilities. Also like Guest, Greene has a feel for the emotional undercurrents of middle-class American life that is so rarely encountered in what passes for serious fiction in the United States these days.

If anything, the class about which Greene writes is lower-middle. "Bright River Trilogy" is set in the Maryland town of Hooks Crossing, a place which characterizes itself as "What a terrible little town! All the streets slide down to Bright River where the dank smell of the tomb floats in the shallows with the trash. All the buildings of the town seem to lean toward the water as though seeking its power for their small pretensions." The town is country but the city is encroaching on it; there's probably not much time left to it to be a small town, to lead the hermetic, self-contained life that Greene describes.

The novel is called a trilogy because it has three narrators: Lily Blunt, Ellen Gibbs and Jessie Talbot. In varying degrees and for different reasons the lives of all three have been deeply affected by Lily's son, Darcy, a man in his early 30s who has never taken the trouble to grow up. He's a renegade, a rebel against both the constrictions of small-time life and his memories of his strict, unloving father. He's also an irresistibly lively, energetic, humorous, affectionate man who has what Jessie calls a "jaunty grace that made him seem as if he were free from what other people thought of him," whose smile "promised whatever I would dare to ask."

It's this life-giving force in Darcy that leads all three women to turn to him in hopes of easing the pain they feel from losses and mistakes in their own lives. Lily is haunted by the terrible memory of her husband's suicide, committed after being discovered in a land-fraud scheme; Jessie, a schoolteacher, has fled her job in Baltimore after being rejected, in a most humiliating way, by the man she loved; Ellen is about to marry a man whom she does not love in the vain hope of breaking her history of

promiscuity. Jessie speaks for all of them when she says:

"I smoothed the pages of the book in my lap and looked at Darcy. Dad had nodded off. His quiet snore was the only sound in the room. Darcy lifted the can of beer to his lips. When he tilted his head, his jaw was sharply drawn, his cheekbones taut against the skin. The shadows under his eyes seemed tightly drawn as if they would vanish easily in his smile. He's a handsome man, I thought. And I wondered at his being with us at all, his lean-edged energy and rest in our house. He had come into our life and he became the storyteller of our life and the words he set us all into configurations through the stars."

But Darcy is a man, not a saint, and he can only do so much for these three women. He turns out to be a catalyst rather than a savior, in the end leaving all of them to work out their own responses to their problems but also giving them, in the memory of his powerful energy, the vitality to do so. Most of all he has given them the knowledge of a love offered without price, a love that is all-embracing and affirmative; he is a flawed man but at his core a wonderfully good one and none of them comes away from him unaffected.

This being the case it is somewhat surprising that of the novel's four principal characters, Darcy is the least fully realized. We see him less as a discrete individual than as a character, part fact and part fancy, who lives in the minds of the three narrators. But this is no great fault and it may indeed be an intentional device: How Darcy matters most, Greene seems to be saying, is not as himself but as a man who changed the lives of others. And these others are beautifully portrayed. To give a novel three narrators is a daring gambler, to make these equally distinct and believable is a very considerable feat. Annie Greene has done this and much more in "Bright River Trilogy," a tough-minded and tenderhearted book that deserves all the success that seems to be in store for it.

Jonathan Yardley is on the staff of The Washington Post.

## Cavallino Retrospective in Fort Worth

United Press International  
FORT WORTH, Texas — The first major retrospective of the work of the 17th-century Neapolitan painter Bernardo Cavallino opens Jan. 26 at the Kimball Museum. The exhibit of more than half of Cavallino's 85 known works, including a self-portrait, will be on display through March 24. Cavallino, 1616-1656, was virtually unknown until he was rediscovered in this century, but during his life he was considered one of the premiere painters in Naples.

## CHESS

By Robert Byrne

ANATOLY KARPOV and Gary Kasparov played eight more moves of the adjourned 39th game of their world chess championship match in Moscow before agreeing to a draw.

Karpov, the 33-year-old champion, leads the match 5-1 and needs one more victory to defeat the 21-year-old Kasparov and retain his title.

Draws do not count in this contest, which has seen title-match records set for the most draws, 33, the most consecutive draws, 17, and the most games in the modern era.

When this 39th game began last week, the players were copying each other's moves from the previous game.

Their interim analysis surely reinforced the idea that an attempt to seize material by 20 Nxf7 would have tripped White into a trap.

Moreover, the same theme of that trap — back-rank weakness — could have shown up again after 20 ... QxB, had

White blundered with 21 Nxf7, QxN; 22 RxB, RxB; 23 QN, QxQ; 24 RxQ, R-N8ch, forcing mate.

The play continued to follow that of the 38th game until Karpov diverged with 22 Nxf7 from the 22 Q-B5 that Kasparov had used. It was asserted in the commentary to Game 38 in this column that 22 Nxf7 should not be feared because 22 ... Q-R3; 23 N-QN5, Nxf7 would be acceptable for Black.

Kasparov did play 22 ... Q-R3, but after 23 N-QN5, he chose to go directly with 23 ... QxP; 24 QxQ, Nxf7 into an end game that was very slightly inferior for Black because of his isolated QP.

The challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which turned out to be 41 ... N-B3, was written and placed in the referee's official envelope for overnight safekeeping.

Nevertheless, Karpov persevered with the game until Kasparov played 48 ... P-Q51, cleverly avoiding the loss of a piece. Karpov could not have got anywhere by 49 NxB, PxN; 50 RxN since 50 ... R-B2! would have forced 51 N-K1, P-

B7; 52 NxB, RxB, with a dull, dead level rook-and-pawn ending. Thus, the players agreed to a draw.

QUEEN'S GAMBIT EVOLVED

White blundered with 21 Nxf7, QxN; 22 RxB, RxB; 23 QN, QxQ; 24 RxQ, R-N8ch, forcing mate.

The play continued to follow that of the 38th game until Karpov diverged with 22 Nxf7 from the 22 Q-B5 that Kasparov had used. It was asserted in the commentary to Game 38 in this column that 22 Nxf7 should not be feared because 22 ... Q-R3; 23 N-QN5, Nxf7 would be acceptable for Black.

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The challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which turned out to be 41 ... N-B3, was written and placed in the referee's official envelope for overnight safekeeping.

Nevertheless, Karpov persevered with the game until Kasparov played 48 ... P-Q51, cleverly avoiding the loss of a piece. Karpov could not have got anywhere by 49 NxB, PxN; 50 RxN since 50 ... R-B2! would have forced 51 N-K1, P-

B7; 52 NxB, RxB, with a dull, dead level rook-and-pawn ending. Thus, the players agreed to a draw.

QUEEN'S GAMBIT EVOLVED

White blundered with 21 Nxf7, QxN; 22 RxB, RxB; 23 QN, QxQ; 24 RxQ, R-N8ch, forcing mate.

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## SPORTS

## Magoni Registers First-Ever World Cup Victory

Oertli, With Second-Place Finish, Ties Swiss Teammate Figini for Overall Lead

United Press International  
 Pfronten, West Germany — Olympic slalom champion Paoletta Magoni of Italy registered her first-ever World Cup victory here Monday when she took a slalom race

over a treacherous course that rewarded technical skill.  
 The 19-year-old proved fastest on both runs, turning in a combined time of 1 minute 47.18 seconds for a convincing victory.

Brigitte Oertli of Switzerland finished second in 1:48.50, and the 20 points she earned vaulted her into a tie at the top of the overall cup standings with Swiss teammate Michela Figini.

Both have 165 points.  
 Daniela Zini of Italy placed third Monday, clocking 1:49.18 on a course that proved extremely difficult.

"The course was hard and conditions varied," Magoni said afterward.

## WORLD CUP SKIING

"But I always do well on a difficult course," she said. "It suits the Italian team."

Oertli, who has yet to win a race this season despite her prominent position in the overall standings, said her goal now is to notch a victory or two.

Figini, by contrast, clocked her fourth first of the season when she triumphed in Sunday's giant slalom here.

Zini, 25, agreed that the widely varying conditions encountered along the Breitenberg slalom run played to the Italians' strong suit because their team training stresses technique. "I made mistakes on the second run, but it wasn't so bad," she said.

With a 180-meter (590-foot) vertical drop, the course featured a full range of conditions, from solid ice to soft snow.

Only 38 skiers — fewer than half of those who started the 58-gate morning run — survived to try their luck through the 68 gates of the second run.

Erika Hess of Switzerland, the overall World Cup winner last year, matched Magoni's time on the first leg.

But Hess went out of the race when she lost a ski toward the bottom of the second run.

Tamara McKinney of the United States, the top cup slalomist last year, fell out of the afternoon run when she straddled a gate. She had been fifth in the morning.

Olga Charvatova of Czechoslovakia clocked 1:49.33 to take fourth place ahead of American Eva Twardokens, who had a combined 1:49.83 for the best finish of her World Cup career.

Corinne Schmidhauser of Switzerland, Blanca Fernandez-Ochoa of Spain, Helene Kurbier of France and Elisabeth Kiercher of Austria took the next four places, respectively.

## Surgery for Zurbiggen

World Cup points leader Pirmin Zurbiggen underwent knee surgery late Sunday. United Press International reported from Mauterz, Switzerland.

Zurbiggen hurt his left knee Saturday in Kirchbach, Austria, during the final stages of a race he won — his second downhill triumph in two days.

Afterward he could not bend the knee normally.

Arthroscopic surgery removed part of the joint's inner meniscus. A statement released by the Swiss Ski Federation said the knee's cartilage was unaffected.

Zurbiggen began his rehabilitation therapy Monday. Doctors said he could be skiing in two weeks at the earliest.

Zurbiggen still hopes to participate at the world ski championships in Bormio, Italy, starting Jan. 31.

But the statement said that both the federation and skier himself are putting his health above any other consideration and will not risk premature competition.

## Turning the Tables: Rugby Reckoning

By Bob Donahue

International Herald Tribune

PARIS — The big league of international rugby has 10 members. At the start of 1985 England ranked 10th. No one noticed.

Oh, there was much grumbling about results and grumbling about the new year began. But world rugby has no standings, so no aspiring reformer could use the simplest of arguments: "We're last. As a matter of fact, chaps, we've been last for seven months."

A Jan. 1 match with upstart Romania then gave old England a chance for parole from the world cellar. A few new English players clicked. Romanians visiting Twickenham for the first time performed like stagestruck robots and the home team won dearly, 22-15. Unbeknownst to any and all, England had clambered back up into ninth place — atop Argentina.

Argentina, now occasionally disguised for political reasons as "South America," has beaten Wales, Scotland, Ireland, Romania, Australia and South Africa since the late 1960s. Romania has beaten France, Wales and Scotland in the '80s. What has not changed is rugby's habit of arguing about rank instead of reckoning it.

The sport's congenial state of undermanned muddle is part of its charm. Who needs numbers? If the rugby ethos prevailed, the scoreboard after a big club match would say something like: "A fine time was had by all, especially Leicester." No numbers.

Arithmetic is increasingly respected, though, when it has to do with gates, television rights, sponsorship or any other gauge of relative popularity. Right now, senior administrators are frightened by the prospect of an ungentlemanly brawl, when rugby's ruling International Board meets in Paris in March, between advocates and adversaries of a world cup.

Rothmans' Rugby Yearbook, the sport's unofficial bible, has yet to establish world rankings. The British monthly Rugby World did give it a try last August, in a cover story that attracted interest abroad. It rated the top 10 as follows: New Zealand, France, South Africa, Australia, Scotland, Wales, Romania, Fiji, England, Ireland.

The inclusion of Fiji at the expense of Argentina — "out of contention in the wake of the Falklands war" — was peculiar. A more basic flaw was lack of the clout that only verifiable figures can give. The rankings were just one magazine's opinion.

Thus does rugby potter along. When Australia toured the British Isles from October to December, sweeping its four test matches, people kept saying that the Wallabies now ranked with the best in the world. No one could be specific.

To be specific: On the basis of each country's last 10 matches against any of the other nine nations, Australia ranks fourth, with five victories, a draw and four defeats (see Jan. 5 table, below). Scotland is also 5-1-4, but it scored 17 tries in its last 10 matches, compared with Australia's 19.

World rugby's Big Three at present are South Africa (7-0-3, 33 tries), Fiji (6-1-3, 20 tries) and New Zealand (6-1-3, 16 tries). Had objective rankings been available, Australia's flashy tour results would have seemed less extraordinary. Australia ranks no higher today than it did in 1981 and 1982, when it was also fourth.

Scotland, which has won four of its last six matches, will be on top of the world at 8-0-2 if it wins its next four. That is unlikely, but something to aim for.



In the first rugby test match of the year, at Twickenham in London on Jan. 5, Romanian Marian Aldea, top right, wrestled David Cooke out of the play while English teammate Wade Dooley (in headband) grappled for the ball.

Mourning for England, now 3-0-7, might be less bitter if it were realized that England slipped to 1-0-9 in February 1973. It fell to 2-0-8 in 1974 and again in 1978.

English determination should rise further with the knowledge that the victory over Romania lifted England past France into fourth place for the 1980s overall (see 1980s table). Victory in Dublin on Saturday would put England in third place, ahead of Australia.

Which brings us to a second sort of table —

## LAST 10 TESTS AS OF JAN. 3, 1985

	W	D	L	Tries
1. South Africa	7	0	3	32
2. France	6	1	3	20
3. New Zealand	6	1	3	16
4. Australia	5	1	4	19
5. Scotland	5	1	4	17
6. Wales	4	1	5	13
7. Romania	4	0	6	10
8. Ireland	3	0	7	6
9. England	3	0	7	4
10. Argentina	2	1	7	12

(Argentina's results include tests played by "South America." Due on Jan. 19: France vs. Wales, Ireland vs. England.)

## THE 1980s: 116 TESTS

	P	W	D	L	Tries
1. South Africa	16	13	0	3	813
2. New Zealand	23	16	1	6	717
3. Australia	26	13	12	5	519
4. England	28	13	12	5	518
5. France	36	18	1	17	514
6. Scotland	29	13	2	14	483
7. Wales	24	10	1	13	438
8. Romania	11	4	1	6	409
9. Ireland	25	8	1	16	340
10. Argentina	14	2	1	11	179

(Note: Argentina's results include "South America.")

## Hurdler Moses Arrested in Hollywood Vice Sweep

Compiled by Our Staff From Dispatches

LOS ANGELES — Two-time Olympic hurdles champion Edwin Moses was one of 82 men arrested and charged with soliciting prostitution during an anti-vice sweep of Hollywood early Sunday, police said. He was also cited but not arrested for possession of a small amount of marijuana, a police spokesman added.

Moses, married and recently named co-winner of Sports Illustrated's athlete of the year award with gymnast Mary Lou Retton, won the gold medal in the 400-meter hurdles at the 1976 and 1984 Olympics and has not lost in seven years and 109 races. His world-record time for the event is 47.02.

Moses, 28, took the Olympic oath on behalf of all Olympic athletes at the opening ceremonies of the 1984 Summer Games, which marked the first time that Moses, a star of long standing in Europe, had received substantial recognition in the United States.

Police said Moses was arrested for allegedly approaching a female undercover police officer and soliciting an act of prostitution. He was released on his own recognizance; no court date has been set. The misdemeanor carries a \$500 fine and/or a six-month jail term.

The female officer was part of a task force working to deter prostitution in the Hollywood area, police said.

Police said Moses was also cited for having a small amount of marijuana in his possession after it turned up in a search of his car.

He was not booked for drug possession, since the amount "was much, much less than an ounce," the spokesman said.

Moses received the Sullivan Award in 1983 as the top U.S. amateur athlete, and is one of only seven athletes worldwide who are members of an advisory commission to the International Olympic Committee. Moses has spoken out against athletes who used steroids and other drugs and is also considered one of track and field's leaders in gaining financial rights for the athletes. One of the highest-paid performers himself, Moses reportedly figured to make almost \$1 million during 1984.

Moses was not immediately available for comment, but his arrest surprised many in the sports world. "He has impeccable character and he's an outstanding young man," said Larry Ellis, who coached the U.S. men's Olympic track team. "He's shown tremendous leadership ability and impressed people by his demeanor." (UPI/AP)



Edwin Moses

## 76ers Overtake Bullets for 115-104 Victory

The Associated Press

LANDOVER, Maryland — Once the Philadelphia 76ers got to 77 points, the Washington Bullets shot only blanks.

The Bullets led, 91-75, late in the third quarter of their National Basketball Association game here Sunday.

## Wadkins Golf Victor In Playoff

The Associated Press

PALM SPRINGS, California — Lanny Wadkins made up four shots on the last five holes of regulation to the Craig Stadler and then beat him with a birdie on the fifth hole of a sudden death playoff Sunday to win the Bob Hope Classic golf tournament.

Wadkins, who went eagle-par-birdie-birdie-birdie over the final five regulation holes, won the \$90,000 first prize with a 15-foot putt on the 15th hole at the Indian Wells course.

Believe me, it's more holes than we wanted to play," Wadkins said after 95 holes of play in the opening event on the 1985 PGA tour.

With Stadler holding a 4-shot lead and the holes dwindling away in regulation play, Wadkins' rally finished off a fifth-round 65, seven shots under par, and enabled him to tie Stadler with tournament-record 333, 27-under. Stadler, who tore up the front side in 31, had a closing 66.

The playoff started on the 15th hole, and after a couple of dramatic turns — each man saving par from extremely difficult positions — they remained tied going to the par-5 18th.

Stadler drove into deep trouble up on a rocky hill to the right. The former Masters champion thrashed the ball out from amid tumbledown lie fairway; Wadkins then lashed an iron to within six feet of the pin. Stadler hit his third shot about 13 feet below the cup. He sunk his birdie putt — and Wadkins missed his shot at an eagle.

Back they went to No. 15, a par-3. Stadler missed the green to the right and Wadkins put his shot 15 feet behind the flag. Stadler clipped to within six feet and then watched as Wadkins' putt found the cup.

day, but the 76ers outscored them by 40-13 in the final 13 minutes. Philadelphia's 115-104 victory was its 11th straight, the longest winning streak in the league this season.

## NBA FOCUS

"To go from 16 points down and win by 11 — a 27-point turnaround in 13 minutes — was pretty impressive," said Julius Erving, who scored 21 points for Philadelphia, which is 31-6 but still trails first-place Boston by half a game in the Atlantic Division.

Philadelphia guard Maurice Cheeks hit all nine of his shots from the field and finished with 25 points to lead all scorers.

Elsewhere it was Milwaukee 140, Denver 116; New Jersey 100, Houston 99; Detroit 121, the Los Angeles Lakers 98; Dallas 124, Portland 101, and Seattle 119, Kansas City 114.

Sedale Threatt and Erving started the Philadelphia comeback by scoring the last four points of the third period, cutting Washington's

lead to 91-79. Then a 12-2 run, with Erving scoring seven points, made it 93-91.

Andrew Toney, nine of whose 15 points came in the decisive final period, scored three points during a 7-0 streak that gave Philadelphia a 100-97 advantage. Then he rebounded in his own missed shot to start another run of five straight points.

Erving said the bus ride from Philadelphia may have accounted for the team's poor start. "We had to get our ground legs after an hour and a half on the bus," Erving said. "It took us a while to get cranked up. Then things started to shift, and everything snowballed. Washington was due a cold spell."

The Bullets, hurt in part by an injury to forward Cliff Robinson, folded in the final quarter, going just 3-for-23 from the field. Robinson didn't play in the second half after hurting his right knee and ankle in the second quarter.

"It's obvious we need Cliff in the lineup," said Washington Coach Gene Shue.

## Gretzky Scores Goal No. 400 As Oilers End Sabres' Streak

Los Angeles Times Service

BUFFALO — Wayne Gretzky became the youngest player to score 400 goals in National Hockey League history Sunday at Buffalo, but it took two third-period goals

426 games, breaking still another record. A year ago the Islanders' Mike Bossy scored his 400th in his 506th game.

Gretzky is the 23d NHL player to record 400 goals. He also assisted on Sunday's first two goals and now has 80 assists in 43 games. He is on his way to wrapping up another scoring title, and needs only 77 points in 37 games to reach 200 points for the third time in the last four seasons.

The 400th goal, as with so many of his others, was a beauty. He skated in from the blue line, worked his way through several Sabres and scored from a difficult angle, lifting the puck through a small opening near the crossbar.

Sunday's may have been Messier's last game for a while. In mid-December, he broke the jaw of Calgary's Jamie MacKenzie in a fight. Messier was expected to be told of his punishment — probably a suspension — on Monday.

Buffalo Coach Scotty Bowman feels the league has been too slow in handing down the penalty. "It's being handled very badly," Bowman said. "It's taken 18 days already. That's too long."

## SCOREBOARD

## Hockey

## NHL Standings

## Wales Conference

## Pacific Division

## Central Division

## Atlantic Division

## SUNDAY'S RESULTS

## Wales Conference

## Pacific Division

## Central Division

## Atlantic Division

## SUNDAY'S RESULTS

## Wales Conference

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## SUNDAY'S RESULTS

## Wales Conference

## Pacific Division

## Central Division

## Atlantic Division

## SUNDAY'S RESULTS

## Selected U.S. College Conference Standings

## BIG EAST

## PACIFIC 10

## SOUTHEASTERN

## SOUTHWEST

## SUNDAY'S RESULTS

## BIG EAST

## PACIFIC 10

## SOUTHEASTERN

## SOUTHWEST

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## SOUTHWEST

## SUNDAY'S RESULTS

## BIG EAST

## Basketball

## Selected U.S. College Conference Standings

## BIG EAST

## PACIFIC 10

## SOUTHEASTERN

## SOUTHWEST

## SUNDAY'S RESULTS

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## SOUTHWEST



